THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The Shantung Case Again!

The Clash Between Chinese and Japanese Troops in Tsinan

密勒氏評論報

SATURDAY, MAY 12, 1928

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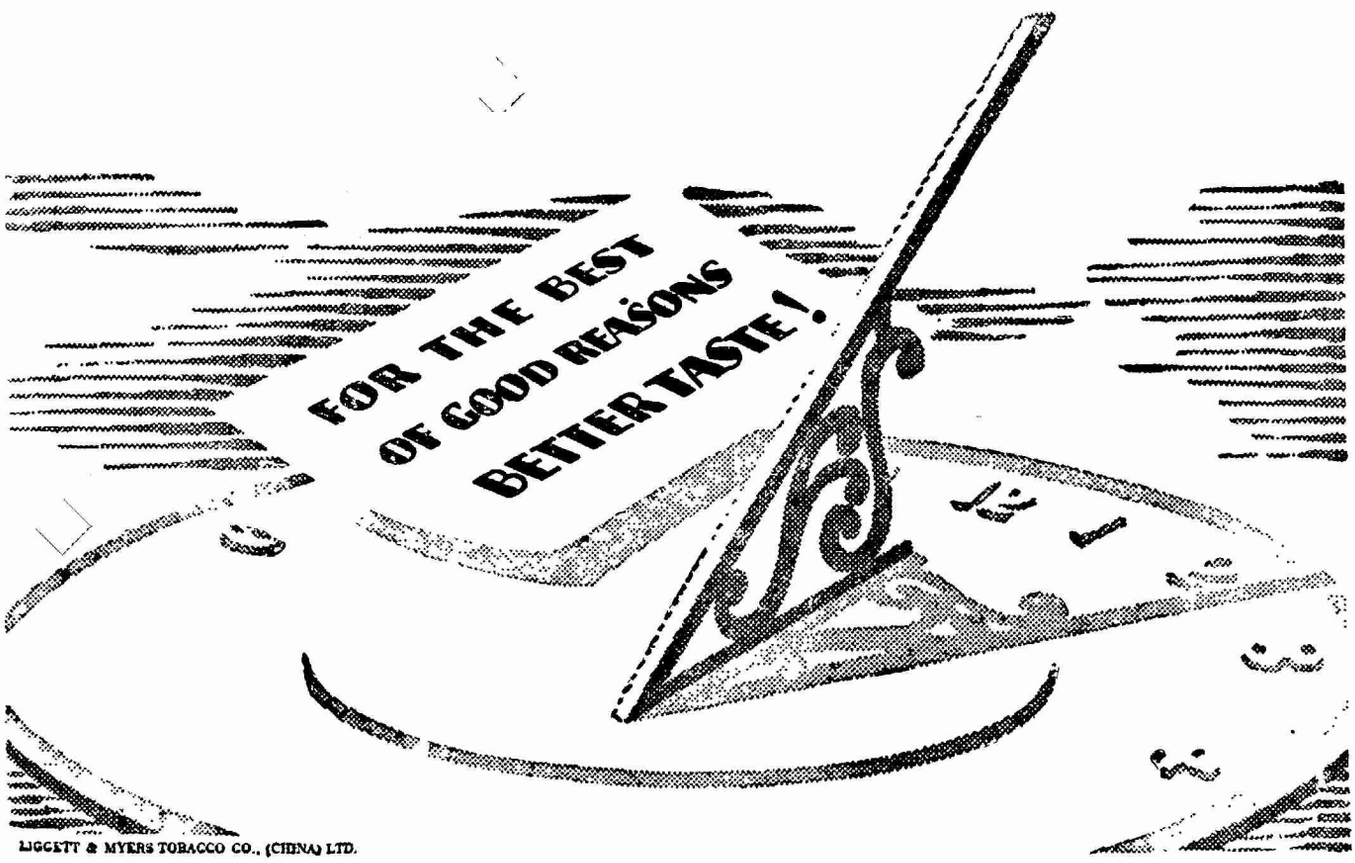

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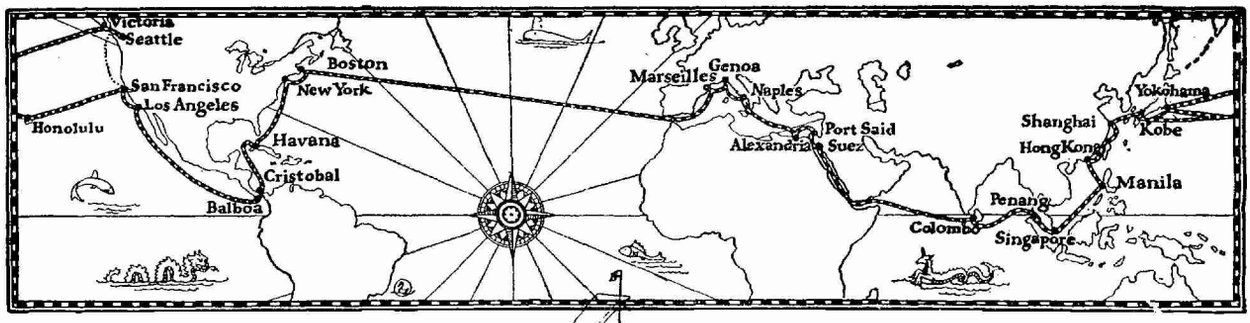

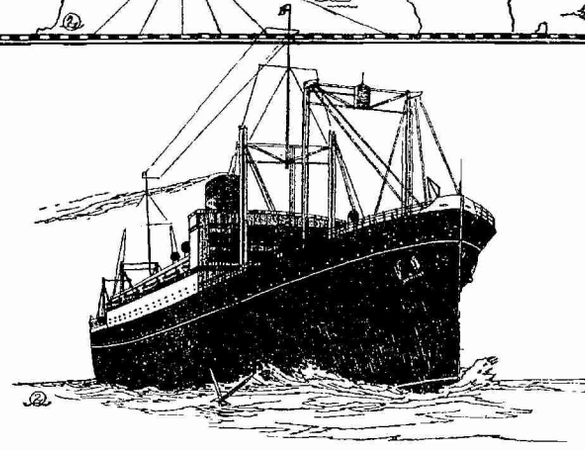

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44-388

In the United States Court for China

HENRY C. DAVIS,
Plaintiff,

vs.

William Preston Gibson,
Defendant.
National City Bank of New York,
C. S. Franklin,
Garnishees.

Cause No.
Civil No.

ORDER.

Filed at Shanghai, China,
May 9th, 1928.

L. T. KENAKE
Assistant Clerk.

ORDER

The object of this suit is to recover a claim for Gold $516 67 based on the indorsement of a certain Bill of Exchange by the plainliff herein at the defendant's special instance and request, said Bill of Exchange have been dishonoured and plaintiff having paid same.

WHEREAS plaintiff herein, by his attorney, has this 7th day of May, 1928, made application for the substitution of publication, for personal service upon defendant herein; and

WHEREAS it appears from the files of this case that on the 5th day of May, 1928, the Summons for the defendant was returned by the Marshal of the United States Court for China, "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on May 7, 1928, Henry C. Davis, the plaintiff herein, filed an affidavit to the effect that the defendant in the above-entitled action cannot be found and is a non-resident of Shanghai, Republic of China; that service of summons cannot be made on him within the Republic of China and that defendant has property within this jurisdiction sought to be taken by attachment and garnishment in this action.

NOW, THEREFORE, it is this 7th day of May, 1828, ORDERED that the Order be published once a week for three successive weeks in The China Weekly Review, to-wit on May 12th, May 19th and May 26th 1928, that the defendant cause his appearance to be entered herein, on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the last day of the publication of this order; otherwise the cause will be proceeded with as in cause of default.

BY THE COURT,
MAY 9 1928

MILTON D. PURDY
JUDGE.

In the United States Court for China

ISABEL BURT,
Plaintiff,

vs

ARTHUR RAYMOND BURT,
Defendant.

Cause No. 3071
Civil No. 1297

ORDER

Filed at Shanghai, China,
May 9, 1928.

L. T. KENAKE
Assistant Clerk.

The object of this suit is an action for divorce:

WHEREAS plaintiff herein, by her attorney, has this 30th day of April, 1928, made application for the substitution of publication, for personal service upon defendant herein; and

WHEREAS it appears from the files of this case that on the 7th day of May, 1928, the Summons for the defendant was returned by the Marshal of the United States Court for China, "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on April 30th, 1928, ISABEL BURT, the Plaintiff herein, filed an affidavit to the effect that the Defendant was not residing in China, nor has he been within the jurisdiction of this Court during the last six months previous to April 30th, 1928.

NOW, THEREFORE, it is, this 9th day of May, 1928, ordered that the Defendant cause his appearance to be entered herein, on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the last day of publication of this order; otherwise the cause will be proceeded with as in cause of default.

BY THE COURT,

MILTON D. PURDY
JUDGE

9 May 1928

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Red Cross Declines to Aid in Shantung Famine Relief

A special dispatch from Washington D. C., dated April 25, in the *Japan Advertiser* stated that the American Red Cross Society had declined to associate itself with the $10,000,000 drive for famine relief funds for China recently launched by an organization representing the Methodist, Presbyterian and Congregational churches, the Federal Council of Churches, the China Society and the Young Mens' Christian Association with the Reverend W. R. Johnson, Sydney F. Gulick, and John Earle Baker.

The Red Cross is reported as taking the position that the civil war in China, and especially in Shantung Province where the famine relief would mainly center, is producing such conditions that the American people cannot conscientiously be asked to contribute to funds regarding whose destination the gravest doubt would exist as long as the war lords continue ravaging the province.

The name of General James G. Harbourd heads the executive committee of the famine relief organization. The chairman of the Asiatic division of the Red Cross wishes the drive for funds well but does not feel as, "trustee of American charity" that the organization ought to participate in the relief campaign.

Shanghai Customs Revenue for April Shows Huge Increase

The Customs revenue at Shanghai for April showed a marked increase not only over the preceding three months but over the corresponding month last year. In approximate figures the revenue for April this year is Tls. 650,000 greater than it was during April last year. So great has been the increase in April that a deficit of Tls. 530,000 for the first three months of this year, as compared with the first three months of last year, has not only been wiped out, but, computing for four months, the revenue has been greater in 1928 than in 1927.

This increase in Shanghai's revenue has nearly all been accounted for by the import trade, which was very brisk last month. Foreign and Chinese importers alike seem to feel that the trading area served by Shanghai will from now on be fairly free of warfare, and incidentally importers were encouraged to invest owing to the high price of silver, which has made the exchange for importers very favorable. Coupled with the increased optimism there is also the probability that the Nationalist government will increase import duty rates on July 1 and this has stimulated importers to lay in a stock before the new duties go into effect.

Interesting Notes from the War Zone in Shantung

A Shantung correspondent gives some interesting details of the operations of the 13th Shantung Army, composed entirely of Cantonese troops, and commanded by General Liu Tze-liu, himself a Cantonese, who is reputed neither to smoke opium or gamble and to be a strict disciplinarian. These troops in 1922 marched north from Canton going through seven provinces. Although General Liu's troops are stated to have a good reputation for conduct, they are really mercenaries and the biggest daredevils and dare-to-die corps in the Shantung Army. They were in the forefront at the first fighting at Tsining, but had to fall back as the supporting troops refused to fight.

Conditions at Tsingtao are quiet. The Japanese have placarded the town with notices in Chinese stating that their troops have come simply to protect Japanese nationals and property and that they will allow both the Northern and Southern force to use the Kiaochow-Tsinan railway. Foreigners in Tsingtao apprehend no disturbances there and are not laying in a huge supply of foodstuffs as they did when the Nationalists made the previous advance.

Nationalist Government Sets Aside Stamp Tax for $10,000,000 Loan

It was announced from Nanking April 28 that the entire revenue from the Stamp Tax of the Nationalist Government is to be set aside for a public loan of ten million dollars. The loan is to pay eight per cent and it is understood that the Bank of China, the Bank of Communications and the Bank of Kiangsu will be the depositories for the amortization fund. The new loan and the plan for repayment were formulated by the Ministry of Finance.

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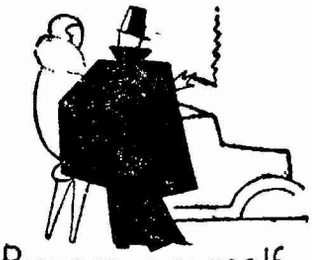

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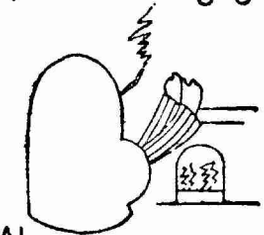

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

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FOREIGN DIE-HARD PRESS BLAMES CHINESE

THE READINESS with which the three morning British newspapers in Shanghai have accepted without question the Japanese reports regarding the blame for the Tsinanfu incidents has been most interesting and indicates that "die-hard" stock in Shanghai is again on the up-turn. There was an unconfirmed report from Peking that when the news reached that city that the Japanese had decided to re-intervene in Shantung, a little group of foreign "die-hards" including the correspondent for one of the Shanghai newspapers, got together in the Peking Club and held a jollification meeting at which champagne was dispensed. Thus far we have heard of no parties of this kind in Shanghai, but the foreign press here, particularly the three morning newspapers have indicated most unmistakably that their sentiments are with the Japanese and without awaiting reports from American and British or other neutral sources in Tsinan, have unanimously placed the blame on the Chinese troops. The *North-China Daily News*, the official British newspaper in Shanghai on Monday, May 7 published an editorial which stated in the first paragraph, "we can hold no other view than that an unprovoked attack was made upon the Japanese and that the Chinese have only themselves to thank that many of their nationals are dead and the prospects of the northern campaign gravely imperiled." Then in addition to this, the same newspaper published a few days previously the Japanese news report that the attack on the Japanese was launched by Feng Yu-hsiang's troops "as a means of discrediting Gen. Chiang Kai-shek" the purpose of this report being to sow seeds of discord among the Nationalists. The *China Press*, another British morning newspaper in Shanghai, did not even wait for the Chinese version of the affair but published an editorial in its issue of Saturday, May 5, which was headed, "Tsinan—A Repetition of Nanking." Since the official Chinese report of the Tsinan incidents was not made public until the morning of May 5, the *China Press* editorial obviously was based entirely upon the Japanese accounts. So much for editorial fairness! Then we come to the *Shanghai Times*, another British newspaper, which in recent months has won a considerable local reputation for fairness in the presentation of the news. But the publisher of the *Times* apparently could not stand the strain of his previous Japanese affiliations for in the issue of his paper on Sunday morning, May 6, he presented on the front page the letter and report of the Chinese General Chamber of Commerce under a heading which displayed unmistakable bias in favor of the Japanese viewpoint. The heading read as follows: "Chamber Gives Credence to Wild Reports—

Unproved Charges—Unfounded Allegations of Japan's Motives in Shantung." The introduction to the article under this heading to the report of the Chinese Chamber was referred to as a "ridiculous statement." Other headings on the same page also displayed unmistakable bias in the presentation of the news such as "Systematic Attack Against Japanese at all Points," and so on. The official Note which the Nationalist Foreign Minister dispatched to Baron Tanaka protesting against the actions of the Japanese troops in Tsinan was not printed verbatim in *The Times*, but was re-written in such a way as to camouflage the facts as presented by the Chinese Foreign Minister and befuddle the reader as to the real situation. It thus appears that the foreign press in Shanghai, or at least the three morning British newspapers, are starting out along familiar lines, which can have no other result than to turn the present Chinese animosities into the usual "anti-foreign" lines. Probably the editors of these newspapers think that another opportunity for general military intervention is again in the offing!

The Clash Between the Nationalists and the Japanese in Tsinan

THE FOLLOWING wireless telegrams, which were received in Shanghai on Friday, May 4, from Mr. H. J. Timperley, an Australian newspaperman at Tsinanfu, the capital of Shantung Province, give the best account which has as yet appeared regarding the inception of the clash between Nationalist troops and the Japanese military in Shantung. The telegrams are reprinted in the order in which they were received:

By H. J. Timperley
Correspondent, Manchester Guardian

Tsinanfu, May 2—The Shantung capital passed peacefully but with dramatic swiftness into Southern hands on Tuesday, May 1, early in the morning when the Russian armored trains guarding the Northern retreating columns withdrew and a few seconds later the head of the leading Nationalist column reached the Tientsin-Pukow Railway station.

The Southern behavior has, on the whole, been exemplary. The Southerners appear to be friendly disposed toward foreigners, all of whom are safe.

The streets of Tsinanfu today were aflutter with Nationalist flags and were plastered with posters denouncing the Northern militarists. Most of the shops have reopened and the permanent population appears to be already on good terms with the Southern newcomers.

Except for a slight tension as a result of the presence of Japanese troops who are behind sand-bag barricades in certain areas of the city, the situation is generally tranquil.

By H. J. Timperley
Correspondent, Manchester Guardian

Tsinanfu, May 3 (1 p. m.) A serious clash between the Chinese and Japanese troops occurred this morning which was apparently the consummation of a series of incidents including the shooting of a Nationalist officer yesterday and the detention by the Japanese of Nationalist street lecturers.

According to information obtained at the Nationalist headquarters, the news of this happening was suppressed by the Nationalists in order to avoid exciting the troops, but this morning a party of Nationalist soldiers were fired on by the Japanese when passing along the streets. The Nationalists returned the fire and a general melee ensued in which there were many casualties on both sides, including both soldiers and civilians. The extent of the casualties up to the present is unknown.

WHO MR. TIMPERLEY IS

Mr. Timperley, the writer of these two telegrams, is an experienced newspaperman who for a considerable time was connected with *Reuters* Peking Bureau and who covered the situation at Hankow last spring both for *Reuter's* and the *Associated Press* of America. Upon returning from his vacation in Australia last fall and winter, Mr. Timperly resigned from *Reuters* and was appointed correspondent for the *Manchester Guardian* in Peking. Mr. Timperley happened to be in Tsinanfu at the time of the clash between Chinese and Japanese troops through having gone there to investigate the Shantung famine situation. He sent the two telegrams by Chinese wireless service to Shanghai in order that they might be forwarded to the *Manchester Guardian*, which was done on May 4.

These two telegrams are important because they constitute the first impartial account by a neutral witness, an experienced newspaperman as to what actually happened at the beginning of a complication which may be far-reaching in its international ramifications. The first news which Shanghai received regarding the trouble between the Nationalist troops and the Japanese at Tsinanfu was on May 3 when the Japanese semi-official *Toho* news service sent the following message to the Shanghai newspapers.

(*Toho News Service*)

Tientsin, May 3—According to a dispatch from Tsinanfu, a clash occurred between Japanese and Chinese troops in that city at 10 o'clock this morning, the trouble arising from looting carried out by Chinese soldiers. The trouble is not yet settled. The details are not available at the present time.

The next message on the subject to be received in Shanghai was by *Reuters* service from Tokyo, which was also received in Shanghai on May 3. This message was as follows:

(*Reuters Agency*)

Tokyo, May 3 (2 p.m.) According to a dispatch received by the War Office here, the Japanese troops at Tsinan have come into collision with the Southern Chinese troops who were looting Japanese stores. The disturbances continue.

(Later) Though details are lacking it is believed that the disturbances at Tsinan were of a minor character, as earlier official and unofficial dispatches reported occasional looting but added that friendly relations had been established between the Japanese and Nationalist authorities. General Chiang Kai-shek entered Tsinanfu yesterday afternoon. There are now approximately 20,000 Southern troops in the city.

Since the publication of these two dispatches which appeared in the foreign newspapers in Shanghai on May 4, there has been a veritable avalanche of Japanese reports from Tsinan, Tsingtao, Tientsin, Peking and Tokyo, all placing the blame on the Chinese for starting the trouble. As a matter of fact the Japanese propagandists were on the job several days ahead of the clash between their troops and the Chinese Nationalists, for the *Manila Bulletin*, the American paper in the Philippines on April 24 printed a statement by the Japanese Consul-General in Manila, which he reported had been telegraphed to his office from Tokyo, the statement being to the effect that the despatch of Japanese troops to Shantung "did not imply anything like unfriendly intentions toward China or interference in the military operations of the Northern or Southern troops, and that the Japanese troops were being sent back into Shantung purely for the protection of Japanese residents and their properties." A statement similar to this was issued by Japanese consulates, legations and embassies throughout the world, the Japanese apparently being anxious to set their case right before the world in view of possible future complications.

Mr. Tsai Kung-shih, Commissioner of Foreign Affairs for Shantung, who, according to an official protest filed by the Chinese Nationalist Government, was murdered by Japanese troops in Tsinanfu on Thursday, May 3. Mr. Tsai was a native of Kiukiang, Kiangsi Province where he was born in 1888, and received his education at the Imperial University of Japan, from which institution he received the M. A. degree. He specialized in economics and politics and upon returning to China joined the revolutionary party under Dr. Sun Yat-sen. He was at Wuchang at the outbreak of the 1911 revolution and was appointed by Gen. Li Lieh-chun as Director of Communications and then Director-General of the Import Tax Bureau at Kiukiang. Later he went to Canton and became a counsellor to Dr. Sun Yat-sen, then Generalissimo of the Canton Government. Early in 1927 he was appointed Director-General of Customs at Nanking and concurrently Commissioner of Foreign Affairs. Recently he was appointed by the Nationalist Government as Director of the Diplomatic Bureau attached to the Political Committee for the war zone. On May 1, immediately following the capture of Tsinanfu, Mr. Tsai was appointed Commissioner of Foreign Affairs for Shantung with headquarters at Tsinanfu.

THE CHINESE SIDE OF THE STORY

The first reports regarding the Tsinan clash between the Chinese and Japanese troops, which the Chinese now refer to as a "massacre" or an "outrage" to appear in the Chinese newspapers in Shanghai was on May 4 and consisted of brief dispatches from the Shantung capital stating that serious trouble had developed between the Nationalist troops and the Japanese. The reports in the two leading Chinese newspapers here, the *Shun Pao* and *Sin Wan Pao*, were quite similar and were printed under Nanking and Tsinan date-lines. The report was substantially as follows:

JAPANESE SOLDIERS AT TSINAN CLASH WITH CHINESE SOLDIERS

Tsinan, May 3 (5 p. m.) When our Nationalist army captured Tsinan, the Japanese troops there obstructed the movements of the Nationalist troops about the streets of the city, but later the trouble was settled after negotiations with the Japanese commanders. On May 1 and 2 the Japanese challenged the movements of the Nationalist soldiers on the streets, but our officers ordered the troops strictly to avoid all trouble with the Japanese. On the morning of May 3 the Japanese troops unexpectedly arrested one of our military officers and shot him immediately. The Japanese also arrested many members of our propaganda corps which caused serious misunderstanding. Later the members of the propaganda corps were released. The Chinese military authorities have decided not to interfere, but to leave the matter to Hwang Fu, Minister of Foreign Affairs of the Nationalist Government, who is here and who will strongly protest the Japanese action.

(*Second Message*)

Tsinan, May 3 (10 p. m.)—The Japanese troops on May 2 almost clashed with the Chinese soldiers because the Japanese troops shot a Nationalist military officer and also obstructed and interfered with Nationalist soldiers who stopped along the streets to speak with the Chinese civilian population. This trouble was later settled by negotiation between the Chinese and Japanese military headquarters. However, on May 3 Nationalist soldiers on the streets were fired upon and killed by the Japanese troops, which forced the Nationalist soldiers to return the fire. The Japanese soldiers were ordered to fire by a Japanese officer, and many were killed and wounded on both sides, the exact number not yet being known.

(*Third Message*)

Nanking, May 3 (midnight)—News has been received here from the railway and telegraph (communications) authorities stating that on May 3, there was a clash between Chinese and Japanese troops at Tsinanfu in which both sides fired and many Chinese soldiers were killed and wounded. Negotiations between the Chinese and Japanese authorities over the matter had not succeeded in settling the trouble up to 8 o'clock tonight.

(*Fourth Message*)

Tsinan, May 3 (3 p. m.)—At noon on May 3 the Japanese troops here suddenly fired on some Nationalist soldiers, but the trouble was stopped after three hours according to the report. It is stated that the trouble developed because a Nationalist soldier passed within the region of the Japanese defense forces, which region the Japanese forces have taken over, for

themselves. This Chinese soldier was challenged by the Japanese, but details regarding this incident are not yet known. The Chinese authorities have strongly protested against the action.

MORE CHINESE DETAILS

A dispatch giving more details than those quoted above from the *Shun Pao* and *Sin Wan Pao*, appeared in the *China Times*, another Chinese newspaper on May 3, which read as follows:

Tsinan, May 3—It happened on May 1 and 2 that some of the Nationalist troops walking along the streets of Tsinan were stopped and interfered with by the Japanese forces, but they were later allowed to pass following negotiations between the Chinese and Japanese authorities. On the following day, May 3, at about 10:30 o'clock in the morning, the Japanese again obstructed and even disarmed Chinese troops passing along the streets of the Chinese territory. (Ed. Note—There is no Japanese or other foreign concession in Tsinanfu or elsewhere in Shantung Province) One of the Nationalist soldiers objected to the actions of the Japanese and demanded the reason for this unreasonable obstruction of Chinese soldiers on Chinese soil. Unexpectedly, several Japanese soldiers fired at the Chinese soldiers with their rifles, resulting in ten or more Chinese soldiers being killed and wounded. People who had gathered when the altercation started, immediately ran away and Chinese business houses put up their shutters and suspended business.

The Japanese troops then rushed back to their barricades from which they had withdrawn on May 1 and 2 following the entrance of the Nationalist troops into the city and began attacking the Chinese with hand-grenades and guns and any Chinese caught within their area was shot. They fought with machine guns and cannons in a very tyrannical manner and large numbers of Chinese soldiers and people were killed. The Chinese soldiers in the vicinity immediately returned the fire and others rushed up to help them, but Gen. Chiang Kai-shek ordered the Chinese soldiers to stop firing until the incident could be negotiated.

The first official report of the Tsinan happenings to be issued by the Nationalist Government was on the morning of Friday, May 4, when accounts carrying the signatures of Generalissimo Chiang Kai-shek and Foreign Minister, Hwang Fu, were issued to the foreign and Chinese press. The Nationalist Government also made public a telegram which Mr. Hwang Fu had dispatched to Baron Tanaka, the Japanese Premier and Foreign Minister, officially protesting the Japanese action and demanding the immediate withdrawal of the Japanese troops from Shantung. The official statement by Chiang Kai-shek and Hwang Fu was as follows:

CHINESE OFFICIAL REPORTS

(Kuo Min News Agency)

Nanking, May 5.—Commander-in-Chief Chiang Kai-shek and Minister of Foreign Affairs Hwang Fu, in a wireless message from Tsinan sent at 2 p. m. on May 4, addressed to General Tan Yen-kai and other members of the Government Council, reported in detail the circumstances of the massacre of Nationalist Officials by the Japanese troops on May 3 substantially as follows:

"The immediate cause of the massacre by the Japanese troops arose when a Nationalist soldier passed through a street which had been previously included in the occupied area by the Japanese military authorities.

"After killing the soldier on the spot, a large detachment of Japanese troops was despatched to the Bureau of Foreign Affairs into which they immediately broke in. Mr. Tsai Kung-sze, member of the Political Committee in the War Zone and concurrently Special Commissioner of Foreign Affairs for Shantung, was dragged out, and bound with ropes. After cutting off his nose and gouging out his eyes, the Japanese troops shot him dead. Subsequently, the Bureau was set on fire.

"Later, the same Japanese soldiers turned to the Tsinan office of the Minister for Foreign Affairs and, failing to find the Minister there, they likewise set fire to the building.

"While these atrocities were taking place, other large units of Japanese troops, directing an organized gun-fire upon Nationalist soldiers and civilian Chinese, killing a great number of them, also arrived at Nationalist military posts and forcibly disarmed our soldiers. All this took place on the forenoon of the 3rd inst.

"In the evening while high Military Commanders of the Nationalist Forces were discussing with the Japanese Commanders, concerning various rehabilitation measures, the Japanese troops again shelled our military quarters, destroying our wireless station. At the time of the despatching of this message, firing by Japanese troops has not yet stopped.

"This untoward event occurred when soldiers were quite a distance from the Japanese troops. But against these outrageous and atrocious acts of the Japanese troops, the Nationalist soldiers, in order to properly protect themselves, could not but reply to the firing.

"Those killed and injured (of our men) number over 1,000."

(Signed) CHIANG KAI-SHEK
HWANG FU.

THE CHINESE PROTEST

The official Chinese protest which was written by Mr. Hwang Fu in Tsinan and telegraphed to Baron Tanaka by Mr. Wunszu King, Commissioner of Foreign Affairs on the evening of Friday, May 4 was as follows, there also being appended a statement to the press by Mr. King:

"The despatch of troops to Shantung by Japan violates China's territorial sovereignty. The Nationalist Government have twice protested against this action and also declared that, should unfortunate consequences result therefrom, the Japanese Government would have to bear the responsibility, etc. To my greatest surprise, the Japanese soldiers in Tsinan on May 3rd morning, without any reason whatsoever, committed the most provocative acts and fired ruthlessly at our soldiers and people. Thereupon the Nationalist Commander-in-Chief ordered his troops to keep away from the neighborhood of the region occupied by the Japanese soldiers, and at the same time instructed high military officers to hasten to the Japanese headquarters to arrange measures for the prevention of a possible clash. Our representatives were repeatedly insulted and no result was reached. The Japanese troops swept the neighborhood with machine gun fire and repeatedly directed their big guns at buildings of the government and of the people. A group of Japanese soldiers was sent to attack the office of the Commissioner of Foreign Affairs for Shantung. After having cut off the ears and nose of Mr. Tsai Kung-shih, the Commissioner, the soldiers murdered him and all the members of the staff then present in cold blood. The temporary office of the Minister for Foreign Affairs was also fired on and searched by organized Japanese soldiery. Countless Chinese soldiers and citizens were murdered. The Japanese troops invaded the region occupied by Nationalist soldiers and compelled them to disarm. The Nationalist soldiers refrained from opposing them. At 11 p.m. May 3, while our high military authorities were negotiating with Col. Kuroda, the Japanese chief-of-staff as to steps that could be taken, the Japanese soldiers fired with their big guns five times and Japanese soldiers were also sent to destroy our wireless station. On May 4th, although there was not one single Chinese soldier anywhere near the neigborhood of the region occupied by the Japanese troops, the firing was continued by the latter up to the present communication, and business in the whole city is at a standstill. Condemnable actions like these are not only trampling under foot completely China's sovereign rights, but are also absolutely unpermissible by human justice.

"Now therefore, the Nationalist Government again has to lodge with the Japanese Government the strongest protest and has to request the Japanese government to instruct by telegraph their troops at Tsinan to stop forthwith their firing and to withdraw at once. All the questions relating

to the violation of international law and treaty stipulations as a result of stationing of Japanese troops in Shantung shall be settled through proper procedure. The Nationalist Government wish also now to declare that they reserve the right to present all necessary demands. It is presumed that the Japanese Government are unwilling to assume an outrageous, intolerable and hostile position against the whole Chinese race, which position is also against the dictates of justice and humanity.

(Signed) HWANG FU,
Minister for Foreign Affairs."

(*Kuo Min News Agency*)

Statement by Mr. Wunszu King, Kiangsu Commissioner for Foreign Affairs, on the Outrages perpetrated by Japanese Soldiers May 3-4:-

"Judging from the statement of facts contained in Minister Hwang Fu's protest to Baron Tanaka, which Commissioner King forwarded to Tokyo this morning there appears to be good reason for the belief that the outrageous action of the Japanese soldiers at Tsinan is not an unpremeditated one. This action on their part constitutes not only a serious infringement of China's sovereign rights but also a flagrant violation of the fundamental principles of International Law and a total disregard of all conceptions of humanity.

"Mr. King is confident, however, that the Japanese people as a whole are opposed to this action particularly as no small number of far-sighted statesmen have expressed their views disapproving their Government's policy of sending Japanese troops to Shantung. The outbreak of these outrages in Tsinan which culminated in the brutal murder of the Chinese diplomatic representative, Commissioner Tsai Kung-shih and his entire staff, seems to justify fully the views of those far-sighted Japanese statesmen.

"Indignant as they are, over this incident in Tsinan, the Chinese people still maintain an attitude of forbearance. It is obvious therefore that the whole responsibility for the incident and its consequence in no way lies on the Chinese side."

THE JAPANESE VERSION

At the time these paragraphs were written (Sunday, May 6), the official report of the Japanese Government giving its side of the Tsinan affair, had not been issued, but a Japanese *Toho* agency report dated at Tientsin on May 5 stated that Lieutenant-General Fukuda, Commander-in-chief of the Japanese forces in Shantung had issued an official report in which he stated that immediately upon Gen. Chiang Kai-shek's arrival in Tsinan on May 2 he demanded the immediate withdrawal of the Japanese troops, stating that the Nationalist forces would undertake full charge of maintaining peace and order and protection of the lives and properties of foreign residents and adding that the "Japanese troops if they were not hostile to the Nationalist Army, should be withdrawn immediately." Gen. Fukuda is then quoted as saying that "since the discipline of the Nationalist forces was comparatively well maintained at the time," the Japanese army removed the defense works the same night. Continuing, Gen. Fukuda said, "At 9:30 o'clock on the morning of May 3 several Chinese soldiers suddenly broke into the shop of Mr. C. Masufusa, agent for the *Manshu Nippo*, located inside the Lin Hsiang Gate, and began looting. A party of Japanese troops commanded by Capt. Kumekawa rushed to the scene to restrain the Chinese soldiers from looting. The looters fired on the Japanese troops and the latter were compelled to respond. This was followed by fighting between the Japanese and Chinese troops at all points. Groups of Chinese soldiers with large bodies of troops following, openly started looting in broad daylight and in the very zone of the Japanese troops. Japanese were massacred by Chinese soldiers amounting to a large number. It is quite evident from the foregoing fact that the outrages were due to a pre-arranged plot for a certain aim."

This report by Gen. Fukuda is most significant for those who would consider the question impartially for, according to the statement by the Japanese Commander-in-chief, the Chinese troops broke into and started looting the office of the agent of the *Manshu Nippo*, which is a Japanese propaganda newspaper issued by Japanese interests in Manchuria and distributed all over China. If this report is correct, and it should be correct since it is the official statement of the Japanese commanding officer, it would seem that the Chinese in entering the Japanese newspaper office, might have been retaliating for the actions of the Japanese in arresting Chinese propagandists who were lecturing and distributing literature on the streets of the city on May 1 and 2. But after all, there is no particular point in trying to fix the blame for an incident which was inevitable from the day Baron Tanaka, the Japanese General-Premier, decided to dispatch troops to Shantung. Regardless of what Baron Tanaka has said about the reason for the dispatch of troops, the Chinese people generally and this includes the North as well as the South, have looked upon Japan's move as an attempt to block the Nationalist movement toward Peking. This subject was thoroughly reviewed in issues of *The Review* on April 21, 28 and May 5 hence it is not necessary to repeat the arguments again, but it probably is correct to state that there isn't a Chinese or foreigner of intelligence upon the China coast who has not looked upon the Japanese intervention in Shantung as a move to either block the Nationalist movement at the Yellow River or force the Chinese Nationalists to come to terms on various outstanding Japanese questions, the chief of which is the Manchuria problem and then from this point there are almost innumerable other outstanding questions between the Japanese and Chinese, such as Japanese interests in Shantung and Fukien provinces, the renewal of the Sino-Japanese Commercial treaty which the Japanese have been negotiating with the Peking Government, but which the Nanking Government has opposed, the so-called Nishihara loans which the Japanese issued to the notorious Anfu clique in Peking when Japan tried to buy over the Chinese military during the course of the World War when the other Powers were occupied in Europe, the Twenty-One Demands of 1915, the consummation of which was blocked by America but which the Japanese have been trying to put over with Marshal Chang Tso-ling recently, and finally the unsettled Nanking incident of last year. Then also is the question of the increase in the Chinese tariff to which both America and Great Britain have agreed, but which Japan has been opposing and attempting to block since the adjournment of the Washington Conference in 1921-1922 and the International Tariff Conference in Peking in 1925. Then on top of these other questions is the matter of Japan's recent ultimatum to Marshal Chang Tso-ling, the Manchurian war-lord, regarding the question of the competing railways which the Chinese interests in Manchuria have been constructing for the purpose of making themselves independent of the monopoly of the Japanese Government-owned South Manchuria line. According to recent reports from both Peking and Tokyo, Marshal Chang has succumbed to this Japanese threat at a time when he was fighting with his back to the wall, and has signed a treaty with the Japanese which places the South Manchuria Railway in complete control of the very lines which the Chinese have been building in order to make themselves independent of the Japanese railway monopoly.

CLASH WAS INEVITABLE

In view of these various outstanding questions

and the bad blood which has existed between the Chinese people and the Japanese military and imperialistic classes, it was inevitable that a clash would occur when the Chinese Nationalists reached the areas in Shanghai which the Japanese troops are now trying to guard. No military commander of intelligence would station a small body of troops more than 250 miles from their base in the midst of a potentially hostile territory and population unless he was looking for trouble. When Baron Tanaka, the Japanese Premier, gave the order for the despatch of some 3,000 Japanese troops to the Capital of Shantung Province, he was either ignorant of the real Chinese situation or he took this action for the purpose of precipitating a fight with the Chinese Nationalists. In view of the fact that direct communication between the Japanese base at Tsingtao and the Shantung Capital is over a Chinese-controlled railway more than 250 miles in length, only an imbecile would imagine that this line could be kept open in the midst of a Chinese civil war. Every other Chinese railway in the country has been cut and disrupted by the civil war repeatedly and this includes the Shanghai-Nanking-Hangchow line in which the British have a large financial interest. The Japanese have a large financial interest in the Shantung Railway, but no Chinese general would hesitate for a minute to cut the line if he considered such action necessary from a military standpoint. The writer of these paragraphs has recently discussed this question with American and British military and naval commanders at Shanghai and they have unanimously verified the statement that no military commander of intelligence would station a force so far away from its base that the line of communication could not be protected. This instruction probably appears in the primer which military and naval cadets are given when they begin their study of tactics. Therefore, there can be no sidestepping the conclusion that when Baron Tanaka dispatched troops to Tsinan he was looking for trouble and he has found exactly what he was looking for. A perusal of the translations of Japanese editorial comment appearing in such papers as the *Japan Advertiser* (American) of Tokyo and the *Japan Chronicle* (British) of Kobe, shows that the Japanese editors and liberal element in the Japanese political parties realized that Tanaka was playing with fire when he gave the order for the despatch of troops back into Shantung.

JAPANESE LIBERAL OPINION

THE worst fears of the Japanese Liberals, who have been outspoken in their criticism of Baron Tanaka's intervention program and the dispatch of Japanese troops to Shantung are being realized. The presence of Japanese troops in Shantung, and particularly in Tsinanfu, has been, to the rank and file of the Nationalist and Chinese people generally, like waving a red rag before a bull. The Japanese are stirring up a veritable hornet's nest. On the occasion of the previous northern drive of the Nationalists the mere presence of Japanese troops was sufficient to "scare" the Southern army, and as a result the previous drive was a failure. But such has not been the case this time since the Nationalists are now more or less united. The Chinese blood is up and Southern troops have actually stood up against the Japanese forces. Time will probably show that the Japanese critics of the policy of sending Japanese troops to Shantung are entirely right. One critic suggested that if Japanese residents in the war area found themselves in danger the Government ought to take them to a place of safety, as this would be more "reasonable" (and incidentally much cheaper) than to send an army to Shantung. It has been written of the bulldog that most any dog thinks be can "lick" a bull-dog, but when the fight is over the other dog is not quite so sure about it. There is much of the bull-dog assiduity about the Chinese—not particularly aggressive, but when they seize on a point it takes a great deal of force, particularly moral force, to induce them to "let go." The whole world knows that there is a persistent under-current of unrest in Japan, and the circumstances very strongly point to the suspicion that the real reason for the Japanese government deciding to dispatch troops to Shantung is to stir up such a mess that the Japanese public may be induced to forget their anger regarding conditions in the country itself, and may instead be induced, on patriotic grounds, to expend their ire upon the Chinese.

No matter how one looks at it, the Japanese move is a big mistake. The present campaign will prove an expense to the Japanese exchequer out of all proportion to any object that the Japanese might hope to obtain, whatever it may be. If the Japanese object is to stifle liberalism and freedom either in China or in Japan, the present maneuver is entirely futile. Or if the object is to gain a military foothold once more in Shantung the present maneuver is even more futile. The signatories of the Washington Conference, America particularly, would not "stand for" that. Indeed if there is any one thing which would unite the Chinese people it would be a Japanese move to remain in Shantung permanently; and a united China to-day would be able to provide quite a formidable military machine. Even with merely moral support from one or more signatories to the Washington Conference the Chinese might be able by themselves to attend to the job of putting the Japanese out of Shantung. It might take quite some time, but the Chinese would in the end probably win unaided. If the Chinese could not *put* the Japanese out immediately, they would eventually *wear* them out.

WHAT MAY HAPPEN

What is likely to happen as a result of the present situation is a matter for the Gods to say, for no human being of intelligence would attempt to forecast. The fat is now in the fire and anything even to a war between China and Japan may result. But if that should come about it would be most difficult to prevent it from spreading, for the interests of about every other nation touching the Pacific are also involved. Soviet Russian interests are involved through Manchuria and Mongolia and the U. S. S. R. would not look kindly upon Japan's chastisement of China with ultimate territorial aggression in the North. Great Britain likewise would not look kindly upon a Japanese aggressive action at China's expense, even in Manchuria, and then from the standpoint of the United States there is the Open Door and the Washington Conference Treaties, most of which Japan is now violating in wholesale order. Baron Tanaka has stirred up a veritable hornet's nest and if he persists in his present course there is surely to be the very devil to pay in the Far East before many moons. The Japanese newspapers have charged Tanaka with stirring up the Chinese trouble in order to maintain himself and party in power. The ultimate result is more likely to be not only Tanaka's loss of power, but the downfall of the whole Japanese military-imperialistic clique in a devastating domestic revolution in Japan.

How the Japanese "Reported" the Tsinan Incident

IT SHOULD be of interest to the newspaper reading public which has been following the incidents in Shantung in connection with the clash between Chinese and Japanese troops, to know how the news about the incident is reaching the outside world. Tsinanfu, the capital of Shantung province is located about 250 miles inland westward of Tsingtao and is situated at the point where the Tsingtao-Tsinanfu Railway which runs in an easterly-westerly direction, reaches the Tientsin-Pukow line which runs in a northern and southern direction. Under normal conditions it is thus possible to communicate with Tsinanfu from the north by way of Tientsin, from the south by way of Shanghai and Nanking and from the east by way of Tsingtao. Telegraph lines of course follow the railways so that under normal conditions it is possible to communicate with Tsinanfu from three different directions. But conditions are not normal at the present and this has had an important bearing on the news which has been sent out to newspapers in Shanghai, Peking and Tientsin and abroad. The Nationalist armies in their advance northward operated along the southern branch of the Tientsin-Pukow line from Nanking and also overland through central Shantung toward the Shantung Railway. When the Nationalist troops under Gen. Chen Tiao-yuan reached the Shantung Railway they immediately cut the line and also the telegraph wires, the purpose being to isolate the Northern troops in Tsinan. And the Northerners in retreating along the Tientsin-Pukow line from the southern border of Shantung also cut this railway and the telegraph lines. Then on top of this when the Northern troops evacuated Tsinanfu on May 1 they destroyed the Yellow River bridge on the Tientsin-Pukow Railway and cut the telegraph lines just north of the Shantung capital. This left Tsinan completely isolated except for two wireless stations, one controlled by the Japanese and the other by the Chinese. According to the official report of the clash between the Chinese and Japanese troops, which was sent out by Gen. Chiang Kai-shek and Mr. Hwang Fu, the Nationalist Foreign Minister, one of the first things the Japanese did following the clash with the Nationalist troops, was to destroy the Chinese wireless station. This left the Japanese in complete control of all communication between Tsinan and the outside world excepting a small field wireless outfit which Gen. Chiang Kai-shek carried with his army, and which apparently was able to reach Nanking, the Nationalist capital, only occasionally and was restricted to official communications. The Nationalist Government, according to report, had to communicate with Gen. Chiang by telegraphing to Yenchowfu (about 60 miles south of Tsinan) and then sending the messages through by courier. The effect of this general disruption of communication was to give the Japanese a practical monopoly of communication with the outside world and they have made the most of it. From the standpoint of Shanghai there is no direct comunication with Tsingtao, the Japanese having during the World War cut the old German cable which previously connected Tsingtao with South China ports and transferred it to Japan. This explains why so many of the news messages which have been published in the Shanghai newspapers have appeared under a Tokyo date-line—it was the only way of getting any news out of Shantung at all, excepting by the round-about way of Tientsin and Peking and even there it was necessary to rely upon the Japanese reports issued by the Japanese Legation at Peking and Consulate at Tientsin.

IN VIEW of this situation it is interesting to examine the Japanese news reports which have been published in Shanghai through the semi-official Japanese *Toho* news service. A brief summary of these reports from the first dispatch, telling of the clash between Chinese and Japanese troops, which was received in Shanghai on May 3 follow, all of the reports being by *Toho*:

Tientsin, May 3—According to a dispatch from Tsinan, a clash occurred between Japanese soldiers and Chinese troops. . . .the trouble arising from looting carried out by Chinese soldiers.

Peking, May 3—Owing to the news of the collision between Japanese and Chinese troops at Tsinan, a tense feeling prevails within and without the Japanese Legation here. . . .Mr. Yoshizawa, the Japanese Minister has only a brief report, but he thought the affair was serious.

Tsingtao, May 3—According to a dispatch from Tsinan, a portion of the Nationalist troops there forced an entrance to a Japanese home at 10 o'clock this morning and began looting it. Hearing of this, the Headquarters of the Japanese Army immediately dispatched a relief party of four soldiers there. When the relief party arrived at the scene, the Chinese soldiers opened fire at them and wounded some of them, whereupon the Japanese soldiers were compelled to reply to the fire.

Shanghai, May 4—A Tsinan message, dated May 3, received in Shanghai yesterday, reports. . . ."Seeing that the demeanor of the Chinese troops in the city was comparatively calm, the Japanese troops set about removing the defense works, when the Chinese troops, taking advantage of the relaxation of the Japanese defense, started looting in the commercial area of the city, firing rifles at the same time."

Tientsin, May 3—A Tsinan dispatch, dated May 3, reports that firing between Japanese and Chinese troops is becoming furious. . . .may become more serious tonight. . . .the loss sustained by the Japanese side up to 4:30 p. m. . . . . includes 3 officers and 30 gendarmes. . . ."

Tokyo, May 4—According to a Tsinan telegram, dated 9:10 p. m., May 3, received at official headquarters here, about 100 Japanese residents are said to have been slaughtered. . .

Tientsin, May 3—Following the outbreak of hostilities in Tsinan, between Chinese and Japanese troops, Generals Chiang Kai-shek and Fang Chen-wu proclaimed martial law in that city.

Tsingtao, May 4—Reports reaching here from Tsinan up to 1 a. m. today, state that hostilities still continue between the Chinese and Japanese troops, and that Chinese soldiers, hiding themselves in houses, are shooting at Japanese soldiers passing through the streets. . . .the extent of loss on the Chinese side is not known but is estimated at approximately 800 men. The Japanese have disarmed some 1,000 Southern soldiers.

Tokyo, May 4—The Japanese War Office find it necessary to increase the forces of the 6th Division now in Shantung. . . .and has decided to dispatch a command with a main body of four infantry battalions from the leased territory of Kwantung; a flying corps from Korea, and a railway engineering corps from Japan, numbering 2,300 men in all, together with 50 horses. . .

Peking, May 3—With reference to the cause of the collision between Japanese and Chinese troops in Tsinan, the following view prevails in Japanese circles here: The immediate cause of the incident was the looting carried out by Chinese troops in the very area where the Japanese troops are garrisoned. But, judging from the allegation that Gen. Feng Yu-hsiang is averse to Shantung being placed under the control of Gen. Chiang Kai-shek, and that so many communists are among the armies under Generals Ho Yao-tsu and Fang Chen-wu, the disturbances may have been created by those who are against Gen. Chiang Kai-shek in order to overthrow him.

Tientsin, May 3—Judging from the various reports reaching here from Tsinan, it seems that the disturbances there were created by a section of the Nationalist troops who had previously plotted against Japan, and not through misunderstanding. This is evident from reports that the Chinese opened fire at various places at the same time they began looting and then rushed to the area guarded by the Japan-

ese troops, availing themselves of the confusion.

Peking, May 4—The following is the official report of Lieut.-Col. Koizumi, commander of Japanese garrison in Tientsin: By order of Major-General Saito, commander of the 11th Division, defense works and sentinels in the Japanese defense zone in Tsinan were removed on May 2. Taking advantage of the relaxation of the defense on the part of the Japanese troops, Chinese troops started looting Japanese houses in the area guarded by the Japanese troops at 10 o'clock in the morning of May 3.

Peking, May 4—The fighting between Japanese and Chinese troops somewhat abated toward 8 o'clock last night, but firing became furious again at 2 a. m. today, and fierce battles took place here and there in the city. . . . . the fighting quieted down at 6 o'clock this morning, but had not ceased yet. . . . . Chinese military agreed to withdraw troops from the commercial area.

Tientsin, May 4—According to an official report from Tsinan, though the Southern soldiers ceased firing for a time, they rushed to the vicinity of the area guarded by the Japanese troops at 2 o'clock this morning, and sounds of rifles and guns were heard at various parts of the city. Many Japanese and foreigners residing outside the Japanese defense zone were massacred by Chinese soldiers.

Peking, May 4—As Southern soldiers continued firing rifles last night, Japanese residents took refuge in the Japanese Consulate, the Japanese club and the Japanese Hospital where they passed the night in great anxiety. . . . Looters fired at Japanese passers-by regardless of soldiers or civilians. . . . . Japanese civilians carrying arms taken away from the Chinese soldiers, are taking great precautions against the worst.

Peking, May 4—According to an official report from Lieut.-Gen. Fukuda, the Commander of the 6th Japanese Division in Tsinan, Southern troops carried out looting simultaneously at various places in that city yesterday morning. . . . they destroyed the Shantung railway tracks at more than ten places before starting looting in order to obstruct the transportation of Japanese troops, and they were supplied with hand-grenades prior to the commencement of the looting in preparation for street fighting. . . . . it is thus quite evident that Southern soldiers created the disturbances according to their prearranged plans.

Tientsin, May 4—According to an official message dispatched from Tsinan at 10 o'clock last night, casualties maintained by the Japanese troops in the fighting with Nationalist soldiers were 5 killed and 20 wounded. Many Japanese residents outside the area were massacred by lawless Nationalist soldiers....The Japanese who narrowly escaped death....were completely looted and roughly-handled by the Nationalist troops and it is feared that other foreigners also suffered not lightly.

Peking, May 4—In compliance with the request of the Commander of the Japanese forces in Tsinan, the Headquarters of the Japanese Garrison in Tientsin have set about the dispatch of reinforcements to Tsinan in armored trains (along the Tientsin-Pukow Railway).

Tokyo, May 4—As a result of negotiations conducted between representatives of the Japanese and Chinese armies, it was agreed that the Chinese should withdraw all the Chinese troops from the commercial area by 7 a.m. today and that the Japanese troops be allowed to deal properly with those Chinese soldiers who may refuse to withdraw from the area.

Peking, May 4—A message from Tsinan at 11 o'clock this forenoon states that sporadic firing still continues in various places in that city and armed detachments of Nationalist troops are advancing on the commercial area.. the Japanese Headquarters are keeping strict precautions.

Shanghai, May 4—A Tsinan dispatch dated May 3 received here this afternoon states: The rioting here was carried out by Southern soldiers 'organically' who forced entrance to Japanese houses and indulged in looting and massacre. This led to engagements between Japanese and Chinese troops....the Southern soldiers are generally haughty and hold foreigners as well as Japanese in contempt....Just before the outbreak of disturbances, Chinese soldiers placarded handbills with the inscription, "Down with Japanese Imperialism" in the very presence of Japanese sentinels, and even fired pistols aimed at Japanese officers.

Peking, May 4—The Peking Government has not yet given out any official opinion or arrangement in connection with the Tsinan incident.

Peking, May 4—The Tsinan incident is giving a great shock to the foreign residents here. All the Legation officials, military and naval authorities, correspondents to foreign news agencies, as well as bankers and businessmen, who were in the Peking Club, today unanimously expressed their sympathy for Japan, saying that the actions of the Japanese army is from a natural and just defensive measure against such emergency and they were in the opinion that such a blow which has been given to the Chinese army was to have been given sooner or later in order to give lessons to Chinese and it is rightly done at this ample opportunity.

Tientsin, May 4—According to an official message from Tsinan at 8:40 o'clock a.m. today, as a result of negotiations by Col. Kuroda and Mr. Nishida, the Japanese Consul-General and the Chinese authorities, it has been decided that all Nationalist troops in the commercial area must evacuate by 7 o'clock this morning and in case the Chinese fail to evacuate, the Japanese may freely dispose of them. Japanese have started to disarm the Chinese soldiers.

Tokyo, May 4—The War Office declared today that at about 10 a. m. *May* 3, Southern soldiers forced their way into Japanese residences in the eastern section of the commercial area which was guarded by troops under Lieut.-Col. Koizumi. . . .a portion of his troops tried to restrain the Chinese soldiers, but they would not listen to them. On the contrary, the Chinese soldiers opened fire, where upon the Japanese troops were constrained to use arms. . . .not only Japanese homes but those of foseigners were pillaged by Chinese troops and a number of Japanese were slaughtered. . .

Tientsin, May 4—An official report from Tsinan, dated at 8:40 a. m. *May* 4, states that when the Japanese set about disarming those Chinese soldiers remaining in the commercial area early this morning, in accordance with agreement between the commanders of the Japanese and Chinese armies, severe street fighting occurred in various parts of the city. . . .in the meantime the Japanese army stationed in the western section of the commercial area were most furiously fired upon.

Peking, May 4—According to a wireless from Tsinan, Southern soldiers today confessed before the Japanese army officers that the raid on Tsinan has been well prepared and they did know it precisely beforehand. . . .moreover the captives of the Japanese detachment carried on their persons a printed pamphlet instructing them that "the proportion of the army forces between the Nationalists and Japanese who are in and around Tsinan is in a ratio of 9 to 1 and it is therefore not at all difficult to exterminate the Japanese. . . .this provides solid proof that the Tsinan raid was well schemed and planned by the Nationalists.

Peking, May 4—In an interview with the *Toho* news service, Major-Gen. Tatekawa, military attache at the Japanese Legation said, "It is quite clear that the Tsinan disturbances were planned systematically beforehand. . . .it is therefore necessary for Japan to chastise the lawless Chinese soldiers in order to maintain our national and military prestige.

Peking, May 4—The Peking Foreign Ministry has decided to lodge a protest with Japan over the Tsinan incidents.

Tientsin, May 4—No reports reached here from the Japanese army in Tsinan up to 6 p. m. . . .hence the safety of Japanese residents is not known.

Tokyo, May 5—At a plenary sitting of the Diet, Premier Baron Tanaka expressed his belief that the despatch of Japanese troops to Tsinan was opportune,

Tientsin, May 4—The Japanese troops in Tsinan have seized from the Southerners 2 mountain guns, 2,000 hand-grenades and 2,000,000 cartridges.

Tokyo, May 4—In view of the possibility that Manchuria and Mongolia may be turned into theaters of war, as the result of the situation being unfavorable to the Northerners, the Japanese Government has decided to "reject the entrance into the South Manchuria Railway zone of armed Chinese soldiers in order to protect Japan's vested rights and her nationalis in Manchuria and Mongolia."

Peking, May 5—The Japanese military agent at Nanking, who arrived at Tsinan on May 2 with Gen. Chiang Kai-shek, was very roughly treated by Chinese soldiers and ruffians on the morning of May 3, just after the outbreak of the disturbances.

Tokyo, May 5—Public opinion in Japan has been roused to a bitter pitch by the outrages of Chinese troops in Tsinan... reports that more than 200 Japanese non-combatants have been massacred by Chinese troops are stiffening the Japanese attitude. The Japanese newspapers are unanimously saying that Japan must strongly take the Chinese to task for their pre-arranged challenge. (A *Reuter* message published in Shanghai the same day stated that most of the Japanese newspapers were attacking Baron Tanaka for sending the Japanese troops into the Shantung

capital).

Peking, May 5—It is learned here that the Japanese authorities intend to despatch telegrams to various foreign countries, describing the details of the affairs at Tsinan in which the Chinese soldiers outrage on Lieut-Colonel Sasaki, in order to appeal to public opinion.

Tokyo, May 5—The Navy Office decided today to increase the naval strength at Tsingtao and have decided to despatch the mine-layer Tokiwa...the 15th destroyer flotilla is sailing for Shanghai.

Tientsin, May 5—An official report here places the number of Japanese who have been murdered by Chinese soldiers at more than 300.

Peking, May 5—Cases of massacre by Chinese soldiers are becoming known....in some cases Chinese soldiers undressed Japanese women and slaughtered them after committing undescribable outrages upon them...it appears there were many such cases.

Tientsin, May 5—Another six bodies of massacred Japanese were discovered today, including a Japanese woman who had been brutally hacked to pieces.

Peking, May 5—The consensus of opinion among the foreign residents in Tientsin is that the barbarities committed by the Nationalists is an unprecedentedly ghastly act which is most deplorable and one cannot but feel the utmost indignation... there is no other means left except for Japan to come to a definite step at this time.

Peking, May 6—As to the incident in which lawless Chinese soldiers shot Gendarme Tanaka to death, there are many witnesses who actually observed the brutal acts of the Chinese soldiers.

Tientsin, May 5—Lieut.-General Fukuda, Commander-in-chief of the Japanese forces in Tsinan, in an official report today states that at 9:30 o'clock on the morning of May 3, several Chinese soldiers suddenly broke into the shop of Mr. C. Masufusa, agent for the *Manshu Nippo* (Japanese newspaper published in Manchuria) and began looting. A party of Japanese troops commanded by Capt. Kumekawa rushed to the scene to restrain the Chinese soldiers from looting. The looters fired on the Japanese troops and the latter were compelled to respond.

Tokyo, May 6—Railway and telegraphic communications between Tsinan and Tsingtao were restored today.

Tientsin, May 6—According to a despatch from Tsinan another 7 bodies of massacred Japanese were discovered at 3 p.m. yesterday all of the bodies having been buried after being hacked brutally.

Tientsin, May 5—According to a dispatch from Tsinan, the Chinese troops have been prohibited to enter an area 20 li (about 7 miles) from the Japanese lines at Tsinan; reported that the Chinese have agreed to the order.

Peking, May 6—Corpses of massacred Japanese are being found in rapid succession outside the commercial area.... so far more than 60 Japanese premises have been looted.... general Chinese opinion in Tsinan, other than the Nationalists, are all in "utmost indignation against the barbarous acts of the Southern raiders.

Peking, May 6—Most of the Chinese in Tsinan, who are not influenced by the Nationalists' propagandists, deeply sympathize with the Japanese residents.

Tsingtao, May 5—Nishida, Japanese consul at Tsinan issues official report on Tsinan outrages concluding with statement, "It is believed that the disturbances had been prearranged, aiming at massacre of Japanese....

Tientsin, May 6—Today, another nine bodies of massacred Japanese were found buried at two places, two being women, one appeared to have been forced....

Tokyo, May 7—It is said the Government intends to place Tsinan and the region along the Kiaochow-Tsinan Railway under the guard of Japanese forces and wait patiently for the situation to become quiet.

Tokyo, May 7—In view of the present situation, the Government has decided to despatch five infantry companies from Japan to Tientsin, instead of waiting until June.

Tsingtao, May 6—The 15th Regiment of the Japanese garrison at Kwantung leased territory, some 1,000 men and the 50th regiment of the same garrison, also numbering some 1,000 men arrived today "amidst thunderous cheers."

Tientsin, May 7—A report arriving here today from Tsinan lists atrocities against the Japanese, listing the names of 10 Japanese who had their eye-balls gouged out and other barbarities.

Tientsin, May 7—Japanese in cleaning up the Tsinan area following the evacuation of the Chinese troops are experiencing great difficulties in finding Japanese bodies which are supposed to have been buried.....corpses of Chinese and Japanese are still lying in the streets.

Shanghai, May 7—According to dispatch received here by a certain source in Foochow, the Nanking Government has dispatched secret telegrams to Fukien Provincial Government stating that while "there is no cause for worry over Tsinan incident, the Fukien Government is to stir up anti-Japanese sentiment among the people."

Tsingtao, May 7—One field-artillery company from Japanese garrison in Kwantung leased area arrived here today.

Tokyo, May 7—Government informally decides in view of Shantung situation to dispatch 3rd Nagoya division to Shantung.

Tokyo, May 7—A portion of the Chiba Railway Engineer Corps numbering 265 men departed for Tsingtao today.

Peking, May 7—Nationalist government authorities are trying to fasten the blame for the Tsinan disturbances on the Japanese in order to cover up the Chinese misdeeds, and are disseminating reports that Mr. Tsai Kung-shih, Commissioner of Foreign Affairs in Tsinan was massacred by Japanese troops, that 17 other Chinese officials of the Foreign Affairs were also slaughtered, and that Mr. Huang Fu, Nationalist Foreign Minister, was maltreated, but these reports are entirely groundless.....Chinese Foreign Bureau located in Japanese area fully protected by Japanese troops and Mr. Hwang Fu, the Foreign Minister remained in the Japanese Brigade headquarters for a few days after the outburst. He expressed regret to Japanese authorities admitting unlawful acts of Chinese soldiers. Japanese military authorities claim they never attacked the Chinese barracks and the destruction of Chinese wireless station was caused by explosion of mine planted by Shantung troops.

Peking May 7—Losses by other foreigners at Tsinan not small and include two German houses looted including Stein's Hotel and it is also a fact that an American missionary was massacred....Japanese casualties in zone protected by 11th division include four or five massacred and 27 missing, of whom two are believed to have been slaughtered.

Peking, May 7—A Southern airplane dropping bombs on area guarded by Japanese troops, fired on by Japanese and brought down.

Peking, May 7—General Chiang Kai-shek, owing to worry over the Tsinan affair is now taking a "gentle attitude" toward Japan and it is intimated he "shall have no alternative but to comply with Japan's demands."

Tientsin, May 8—After a short respite, fighting began last night between the Chinese and Japanese troops, the reason being that even after the cessation of hostilities, Southern soldiers continued looting in the area outside the Japanese guarded zone. A party of Southern troops at about 5 o'clock yesterday afternoon passed through a sentry-line of the Japanese army and attempted looting, which led to a fresh clash.

Tientsin, May 7—Southern troops suddenly stormed the Japanese troops in great force about 5 o'clock p. m. today and the latter accepted the challenge in a determined manner. Though the Southern authorities agreed to withdraw their troops to the area 20 li outside the Japanese zone, the Southern soldiers, dissatisfied with the agreement, carried out an attack on the Japanese army. Japanese troops are fighting strenuously with a large force of 100,000 Chinese troops. As soon as the fighting began, Gen. Chiang Kai-shek left for Tian.

Tsingtao, May 8—In view of Southern troops acting unlawfully, notwithstanding the agreement the Japanese army is determined to take a positive action. The Japanese troops commenced an attack at 4 p.m. today, blew up a powder-magazine and repulsed the Southern troops.

Tientsin, May 8—The Japanese troops commenced military action at dawn today in order to secure the communication and traffic between Tsinan and the Tsinan-Tsingtao Railway and to protect the lives and property of Japanese residents.

Peking, May 8—The ultimatum of Gen. Fukuda to Gen. Chiang Kai-shek which was handed to the Southern authorities at 4 p.m. May 7 demanded: (1) Punishment of high military officers connected with the incidents; (2) Disarm all Nationalist troops who had molested Japanese: (3) Evacuate all Nationalist troops stationed at Hsinchuan and Changchiachun, within 12 hours; (4) Promptly prohibit anti-Japanese propaganda; (5) Clear all Nationalist troops from an area of 20 li of Tsinan and also 20 li from both sides of Shantung Railway. On receipt of demands, Gen. Chiang Tso-ping, personally visited the Japanese Consulate at midnight of May 7 and asked for more time in order to communicate with Gen. Chiang Kai-shek, who was at Tian. General Fukuda considered the reply unsatisfactory and immediately ordered positive action.

Peking, May 9—The Japanese troops at Tsinan, which are firmly determined to make a clean sweep of Southern

troops from the districts 20 li of the Commercial area are now reconnoitering the "enemy's "position and are engaged in battles with the Southern troops at various places. The Japanese division actually went into action at 10 a. m. yesterday. A majority of the Southern troops are making a retreat southward along the Tientsin-Pukow Railway.

NATIONALISTS WOULD ABOLISH THE TAEL AS UNIT OF EXCHANGE

AMONG the numerous things that puzzle the newcomer to China the money system is probably the most mysterious of all. The only kind of money that the average American knows anything about is the kind where ten cents make a dime and ten dimes make a dollar. But not so in China. Here it takes twenty odd nominal cents to make a nominal dime and twelve nominal dimes (and a few nominal cents in addition) to make a dollar. Among the mysterious things in China's money system is an ethereal sort of thing known as a tael. In fact there are many kinds of taels. The only thing that the newcomer can understand about the tael is that when he is involved in a transaction where the tael is a part, his money seems to shrink. More of this later. The only unit in China's money system that is really what it pretends to be is the dollar, commonly known as "Mex." This term "Mex." is used because until something over a decade back, and for about half a century, the dollars used in China were on the Mexican model, due principally to the fact that Mexico then was, as China is now, on a silver basis, and exported bullion in the form of silver dollars. The dollar in China is simply a weight of so much silver of a certain fineness, just as the gold dollar in the United States is a certain weight of gold of a certain fineness. Something over a decade ago the Chinese government started to melt down the old Mexican dollars wholesale and reminted them as purely Chinese dollars of the same weight and fineness. Up until that time the Mexican dollar was of a slightly higher value than the Chinese dollars that had been minted previously at the provincial mints, but now a Mexican dollar in China is becoming a rarity.

All these remarks are suggested by the recent announcement that the Nanking Government Council had recommended the abolition of the tael as a currency unit and the substitution of the silver dollar, the Ministry of Finance having been directed to draft the necessary regulations. Now for an explanation of what the tael is. No attempt will be made to cover the subject thoroughly, as that would require a book. In fact books have been written on the subject. Incidentally it may be mentioned that a scientific explanation of what the tael used in Shanghai is, written by E. Kann, financial expert residing in Shanghai, appeared in *The Review*, July 23,1927. The tael, like the dollar, is a certain weight of silver, nominally a Chinese ounce. But the tael as a coin simply doesn't exist. There is not only one tael, but taels galore. There is a Shanghai tael, a Tientsin tael, a Hankow tael and taels for many other districts in China. Then also there is a Kuping, or treasury tael, and a Haikwan or Customs tael. All these taels are not only of different weights, but of different degrees of fineness. To get at a tael's real value is a problem in higher mathematics. Allowances are made in the calculation for this, that, and the other thing, among them a mysterious element known as "touch." That is just how one feels when one has anything to do with taels. They seem to exist principally in order that the banking institutions may make a profit on exchanging them, which, of course, comes out of the public pocket. The silver used in the tael transactions is cast in a form resembling the old-fashioned Chinese shoe, and in this connection Mr. Kann, in the article above referred to, says: "The bodily clumsiness of the sycee tael forms an obstacle to its successful future career in a world, the foundations of which are resting on pillars of the most modern construction. The usefulness of the Shanghai tael as a medium of circulation is problematical. It has to go, and undoubtedly will go." What Mr. Kann says about the Shanghai tael, applies with even more force to most of the other kinds of taels.

One of the principal reasons why the tael has not disappeared previously is that the foreign banks in China generally have opposed its abolition. The Chinese themselves gave birth to the tael, but the foreign banks have nursed it very carefully, principally because its existence has proven a very considerable source of profit. So as to give the reader abroad an idea of the part that the tael plays in financial transactions we will give a few concrete examples. A Shanghai tael, by the way is worth, on the average about one Mexican dollar and thirty-seven cents. Supposing you go to the bank with a hundred taels, do you get $1.37? You do not. You get a cent or two less. Or, if on the other hand, you go to the bank and want a hundred taels can you buy it with $1.37? No you must pay a cent or two more. Suppose you have Mex. $100 and want to buy a draft on New York, the bank puts you through two exchanges, first dollars into taels and then taels into American dollars, in both of which exchanges the bank takes a profit, and *vice versa* if you go to the bank with an order for one hundred American dollars you do not get American money, but you get Mexican dollars, and in arriving at the amount you are to get, the bank this time converts the amount first into taels and then from taels into dollars, both times at rates to the customer's disadvantage. It is certainly to be hoped that the Nationalist Government will get rid of the tael forthwith, and, while it is about it, if it can also put the fractional currency on an honest basis it will do more to gain the goodwill of the Western world than anything we can think of.

O. J. Todd Comments on Recent Editorial on Famine Relief

O. J. Todd, chief engineer of the China International Famine Relief Commission, has written to *The Review* a letter, which is unfortunately too long for publication, challenging some of the statements in the editorial which appeared May 5, concerning famine relief. Mr. Todd states that it is incorrect to say that the Commission "is composed entirely of Peking officialdom," and in support of this contention he gives a sketch of six members of the Commission to which such a description does not apply, Mr. Todd says that even if the word "officials" was meant to include ex-officials, the statement would need modification. "The main thing," writes Mr. Todd, "we all desire is honest administration which can be best secured when members of famine commissions are free from other obligations that would prevent impartial action in handling these funds."

Japan's Investments in Shantung

A *Toho* despatch gives the estimated amount of Japanese investments in various industries in Shantung as follows:

Yen 7,335,000 at Tsinan.
Yen 1,211,000 at Poshan.
Yen 800,000 at Changtien.
Yen 331,000 at Fangtzu.
Yen 146,881,000 at Tsingtao.

The above are exclusive of the Shantung railway. The principal Japanese enterprises in that province are cotton spinning, oil manufacture, hemp-dressing, milling, ore and coal mining, match manufacture, beer brewing, and sawing.

Tsinanfu—The Chinese-Japanese Storm Center

THE city of Tsinan (to which is usually added the syllable *fu*, indicating that it is the capital of a prefecture) where the recent serious clashes between Chinese and Japanese forces took place, is situated at the junction of the Tientsin-Pukow railway and the Shantung railway, some 250 miles west of Tsingtao and about the same distance south of Tientsin. The Yellow River lies about five miles north of Tsinan, and in flood-time the level of the water rises above the city, to protect which thick embankments have been built.

Tsinan was voluntarily opened for foreign residence and trade by the Chinese in 1906, it being the first city in China where such voluntary action was taken. The Germans for a decade before the European war, had been active in developing the trade of the city and had built up a modern residential and commercial section, known in Chinese as *Shang-pu*, located outside of the West Gate of the old Chinese city, and covering more than 200 acres. Tsinan actually supplied the greater part of the export produce which the Germans shipped from Tsingtao—and the same situation exists at present. The Japanese fell heir to the German section at Tsinan, together with Tsingtao, and to the railway connecting them, as a result of the fortunes of war; and although the Washington Conference deprived the Japanese of political control the Japanese have to-day a greater actual commercial interest in both Tsinan and Tsingtao than any other foreigners.

Using the original German quarter as a nucleus the Japanese have greatly extended the commercial section. Although an open port, Tsinan has no concession, either Japanese or any other nationality. All the principal Japanese banks have branches in Tsinan, the South Manchurian Flour Mill Co. has a large mill there, this being but one of nine flour mills. The city's industries include two match factories, a cotton mill, several hair-net factories (which are now usually idle), in addition to minor industries. Tsinan is also quite a prominent missionary centre. In the southern suburb of the city is located the Shantung Christian University, which was incorporated several years ago by a charter from the Canadian government.

Japan's Decision to Intervene

The first indication of the Japanese intention to meddle in the Chinese conflict was when about the middle of April the Japanese Cabinet announced that it would send marines and gunboats to Tsingtao, an intimation already then being given that troops might be sent to Tsinan and that the Japanese railway would be patrolled. With the approach of the Nationalist army towards Tsinan, General Chang Chung-chang, in command of the Chinese forces in Shantung, decided to abandon Tsinan. About April 20 the Japanese women and children began to leave Tsinan for Tsingtao, and the Japanese began dispatching troops to Tsingtao and eventually to Tsinan, 5,000 of these coming from Japan. Three Japanese companies at Tientsin also proceeded south over the Chinese-controlled Tientsin-Pukow railway to Tsinan, Chang Tso-lin, the Manchurian war lord, so it was reported, (but not confirmed) voluntarily placing at the disposal of the Japanese every facility, even offering them the use of his armored cars and also supplies of ammunition at Tientsin.

These incursions of Japanese troops into Chinese territory, as was natural, aroused the anger of all Chinese, and the student bodies throughout various parts of China made vociferous protests in resolutions. Both the Nanking government and the Peking government sent diplomatic protests to Japan pointing out that the sending of Japanese troops to Shantung was against international law. In the meantime large numbers of Chinese refugees taxed the facilities of the Shantung railway and with the approach of the Nationalist troops to Tsinan, thousands of Shantung troops became disorganized. General Saito with 600 Japanese troops arrived at Tsinan April 26. Shortly afterwards Nationalist troops cut the Shantung railway in several places, prominent among them being the town of Mingshui, which the Nationalists captured April 29. The Southern troops also damaged several bridges on the Shantung railway, but the Japanese were successful later on in repairing them. The next day several thousand Northern troops attempted to drive the Nationalists out of Mingshui and to repair the railway, but they were defeated.

Nationalists Defy Japanese By Cutting Railway

The cutting of the Shantung railway by the Nationalist forces was the first open defiance against the Japanese, as by this action the Japanese forces in Tsinan were cut off from their base 250 miles to the east. The announced policy of the Japanese was that they intended to keep the railway open for the use of both sides impartially, but under the existing conditions such a policy in reality constituted aid to the Northerners. The cutting of the railway necessitated the holding up for a day or two of three trainloads of Japanese troops *enroute* from Tsingtao to Tientsin, at the town of Changtien.

After several previous sorties, the Nationalist forces entered Tsinan early on the morning of May 1. The Japanese troops had in the meantime delimited an area over which they assumed exclusive control. It appears that the first Chinese casualty at the hands of the Japanese was a Chinese who entered the delimited area. The Japanese claim that the Chinese soldier was looting. The Chinese say this is not true, and that the Chinese soldier had entered the Japanese area without knowing that such a zone had been arrogated to themselves by the Japanese; at any rate he objected to being "hustled" out of the place and an altercation ensued.

The withdrawal of the rear-guard of the Northern forces from Tsinan was accompanied by much looting, the Chinese police maintaining order as best they could. So long as the looting was confined to Chinese shops the Japanese forces maintained a neutral attitude. The arrival of the Southern forces was, likewise, accompanied by considerable looting, and for a time the Japanese troops and the main body of the incoming Southern troops cooperated successfully in maintaining order. It was not long, however, before the looters became indiscriminate in their objects of attack, and on the evening of April 30 a Japanese bakery was invaded. Owing to the increasing seriousness of the situation the Japanese sent detachments to guard the electric power station and the waterworks. The first collision between Chinese and Japanese troops occurred on the morning of May 2. Word having been received at the Japanese headquarters that a Japanese home was being invaded by Nationalist soldiers, four Japanese soldiers were dispatched to the spot. The Japanese were met with a volley from the Chinese, and the Japanese replied. This was the signal for some rough work on both sides. However, this encounter resulted in few casualties. The incident, however, served to inflame the Chinese, and fighting between the Japanese and Nationalist troops was restarted in earnest on May 3.

The Conflict on May 3

The accounts are conflicting, but it seems that on the previous day, on the assurance of General Chiang Kai-shek, the commander of the Southern troops, that he was able to maintain order, the Japanese removed part of their defense works. On the morning of May 3, however, the Japanese claim that looting of Japanese shops became general, and an attack was made on the home of the agent of a Japanese newspaper. This attack was apparently retaliation for "arrests" by Japanese soldiers of Chinese found in possession of anti-Japanese literature. The principal outrage, however, on that day (as charged by the Chinese, but categorically denied by the Japanese) was committed by Japanese troops when they invaded the office of the Chinese Commissioner of Foreign Affairs at Tsinan, Tsai Kung-shih, dragged him out, bound him, and later murdered him. Chinese reports state that Tsai's body was mutilated and that the Japanese set fire to the Bureau of Foreign Affairs building. The Chinese also charged that the Japanese had destroyed the wireless station, but the Japanese later emphatically denied this, stating that the damage was done by a bomb which was thrown by the retreating Shantung troops. In the ensuing disturbances several hundred (some reports say 1,000) Chinese were killed, and the Japanese casualties, according to their own accounts, were 12 killed and 30 wounded, this including civilians. However, the Japanese claim that dead bodies of Japanese civilians are being found right along, and on May 7 the Japanese announced that 150 civilians were missing. The Chinese accounts, in describing the incident of May 3, refer to it as a "massacre."

Nationalist Troops Withdraw from Tsinan

The few American and British residents still remaining in Tsinan on May 3 were not molested and, according to a telegram from Gen. Chiang Kai-shek, the British and American Consuls at Tsinan mediated between the commanders of the Chinese and the Japanese forces, the net result of the negotiations being apparently that the Chinese forces agreed to withdraw twenty *li* (that is more than six miles) from Tsinan. General Chiang Kai-shek however, left a certain number of troops in Tsinan, among other reasons in order to protect certain foreign consulates, situated outside of the Japanese area. Later, however, the Japanese general made a demand that all Chinese soldiers must withdraw promptly 20 li from each side of the railway. This order not being complied with, to the satisfaction of the Japanese, and the Nationalists not complying with demands made by the Japanese for the punishment of Nationalist officers responsible for the "murdering" of Japanese, serious fighting was again resumed on the night of May 7, the results of which are not known at the time of writing. It is stated that the Japanese have warned the Northern troops likewise to keep away from Tsinan. Northern airplanes dropped bombs into the Tsinan commercial area

May 5, and the Japanese shot down one of them. Several days later Nationalist airplanes flew over the area patrolled by the Japanese and one of them also was shot down by the Japanese.

The general sentiment of the leaders of the Nationalist movement is that the object of the Northern expedition being to defeat Chang Tso-lin and his supporters and to capture Peking, it will be better to leave the Japanese temporarily in control at Tsinan, while the combined forces of Chiang Kai-shek and Feng Yu-hsiang continue their campaign to the north. The Japanese, they say, they intend to deal with later.

Constant reinforcements are being sent by the Japanese to Shantung, and at the time of writing (May 10) the Japanese were arranging to place a total of 25,000 troops into Shantung fully-equipped. The Japanese in the meantime retain military control of the railway.

The Japanese invasion of Shantung has aroused the intense indignation of the Chinese generally throughout the country, and a nation-wide boycott of Japanese goods will probably be ordered, although for the present the Chinese populace, particularly in the South, is maintaining a calm attitude, so as not to embarrass the leaders of the Northern expedition. The general sentiment of Chinese opinion, however, is reflected in a manifesto issued by the Chinese General Chamber of Commerce in Shanghai, May 5, sent to General Chiang Kai-shek in which the Chamber accuses Japan of deliberately seeking to obstruct the Nationalist military campaign.

Protests by Shanghai Chinese General Chamber of Commerce

At a meeting held on Saturday afternoon May 5 at the Chinese General Chamber of Commerce in Shanghai the situation in Tsinan was discussed and a statement was issued in the form of a "Manifesto of Chinese merchants for the information of the world pubic with regard to the Tsinan tragedy." The Mainfesto reads as follows:

The Japanese Government regardless of international law and heedless of the treaties between China and Japan despatched troops to the Province of Shantung on the plea of providing protection for the Japanese residents but its real motive was evidently to hamper the progress of the Nationalist military campaign.

"Our Government has altogether been following a conciliatory policy. Since the Japanese could find no clue to pick a quarrel, they have allowed their troops to act in most provocative ways, and unmasking themselves as protectors of the Japanese residents they have fired indiscriminately from guns mounted on the streets with result that a great many of our soldiers and people were killed.

"As if these provocations were not enough they have massacred Tsai Kung-shih. our Commissioner for Foreign Affairs of Shantung, by plucking his eyes, and cutting off his nose. Such atrocity is not seen today even between belligerent countries. But if we were to speak of uncivilized tribes accustomed to barbarous acts such brutality might perhaps be conceivable. The conduct of the Japanese troops is a dark spot in the history of Eastern Asia, but it is likewise a black spot in the history of the whole human race.

"Japan is one of the world powers and occupies a place of importance in the history of the world. We feel confident that friendly nations would resolutely detest an act of such brutality which marks a retrocession to primitive times and which throws a shadow of great humiliation on the modern history of the world, We, therefore, deem it our duty to expose this act of unheard-of-atrocity in order that the weight of an international public opinion shall not suffer such inhuman conduct to go without due chastisement."

Later a telegram was sent by the Chinese General Chamber of Commerce of Shanghai to Chang Tso-ling, Chang Hsueh-liang, Chang Chung-chang, Sun Chuan-fang, Ho Tsiang-sung, Chang Tso-hsiang, Chu Yu-puh, Yang Yu-ting, etc., all members of the Northern Government, reading as follows:

"The Tsinan incident, a matter of great importance and consequence has aroused the anger of the whole nation. The Northern and Southern Governments have lodged protests with Japan, showing that while China may be divided internally, but as to external affairs, the Nation still presents a united front. It is said in the ancient classics that a nation must abuse itself before it can be abused by others.

"Now that a great national danger faces our country, we

(*Continued on page 330*)

Yenching School of Journalism Will Receive Help from Missouri

Yenching University at Peking is to have the assistance of the School of Journalism of the University of Missouri in developing the work of Yen-ching's school of journalism. A department of journalism was established at Yenching in 1924, the first in China.

Missouri's co-operation will consist in advice and guidance along academic and administrative lines. It is expected that in time visiting and exchange professorships, reciprocal graduate scholarships, fellowships and graduate student assistantships will be maintained in both schools.

An advisory and promotion committee is now being formed in America of which Dean Walter Williams of the School of Journalism of the University of Missouri will serve as chairman. A permanent endowment fund of at least a half million dollars will ultimately be sought but the present plans call for a financing of the first few years of the school by a small group of individuals.

Three other American schools have affiliated relationships with Yenching similar to that now being entered into by Missouri. The Harvard-Yenching Institute is maintained jointly by the two universities at Cambridge and Peking for graduate research in Chinese culture. Wellesley students, alumni and faculty, sponsor the Yenching Women's College. The departments of social and political science at Yenching are supported by Princeton-in-Peking, an organization of Princeton faculty, alumni and students.

The chairman of the department of journalism in Yenching is Vernon Nash, an alumnus of the Missouri School of Journalism. After two years of newspaper work, he was appointed the 1916 Rhodes Scholar from Missouri. His personal support in China has been provided by a group of friends in Kansas City, chiefly by fellow-members of the Lions Club there. These individuals have indicated their intention of continuing their part in the enterprise. Mr. Nash is spending his furlough year as a graduate student assistant in journalism at Columbia, Mo. He plans to return to Peking with his family next fall.

Conflicting Interests at the Geneva Opium Conference

The Opium committee of the League of Nations, in session at Geneva, on April 25 adopted a resolution submitted by the French delegate incorporating the proposed Central Board of Control with the League. The resolution provides that the Central Opium Board should be so constituted as to ensure full effect being given the Convention, having due regard to the impartial and independent character of the Board.

The vote on the above resolution showed how the interests of the various countries conflict. The German, Chinese, French, Italian, Portuguese and Yugo-Slav members voted in favor of the resolution, the British, Japanese, Dutch and Indian against. The Bolivian, Siamese and Swiss abstained from voting.

Mr. Lyall, the British assessor, laid stress on the fact that in less than eighteen months five tons of narcotics had been seized in various parts of the world. He and Signor Cavazzoni, the Italian delegate, he said, were sceptical about the efficacy of the provisions of the Geneva Convention.

Japan's Strivings Towards a Free Gold Market

The *Japan Chronicle* (Kobe) states that the Economic Inquiry Committee appointed by the Tokyo Clearing House is closely studying the possible effects of the lifting of the ban on gold on the Japanese money market and in other directions. If gold were free from the ban, the committee estimates the loss that might be suffered by Japanese merchants at 40 million yen. The *Japan Advertsier* of April 28 published a news agency report that the Japanese Government had decided to leave the yen alone and that it would send specie abroad only in such amounts as were necessary to maintain its payments of accounts. The Financial Affairs Bureau in the Ministry of Finance denied that such a policy had even been discussed. There has been some consideration of limiting disposal of specie abroad to settlement of Government accounts, the bureau said, but formal discussion is still to be held. On April 25 specie holdings abroad were Yen 140,000,000, contrasted to Yen 1,343,000,000 at the end of 1919.

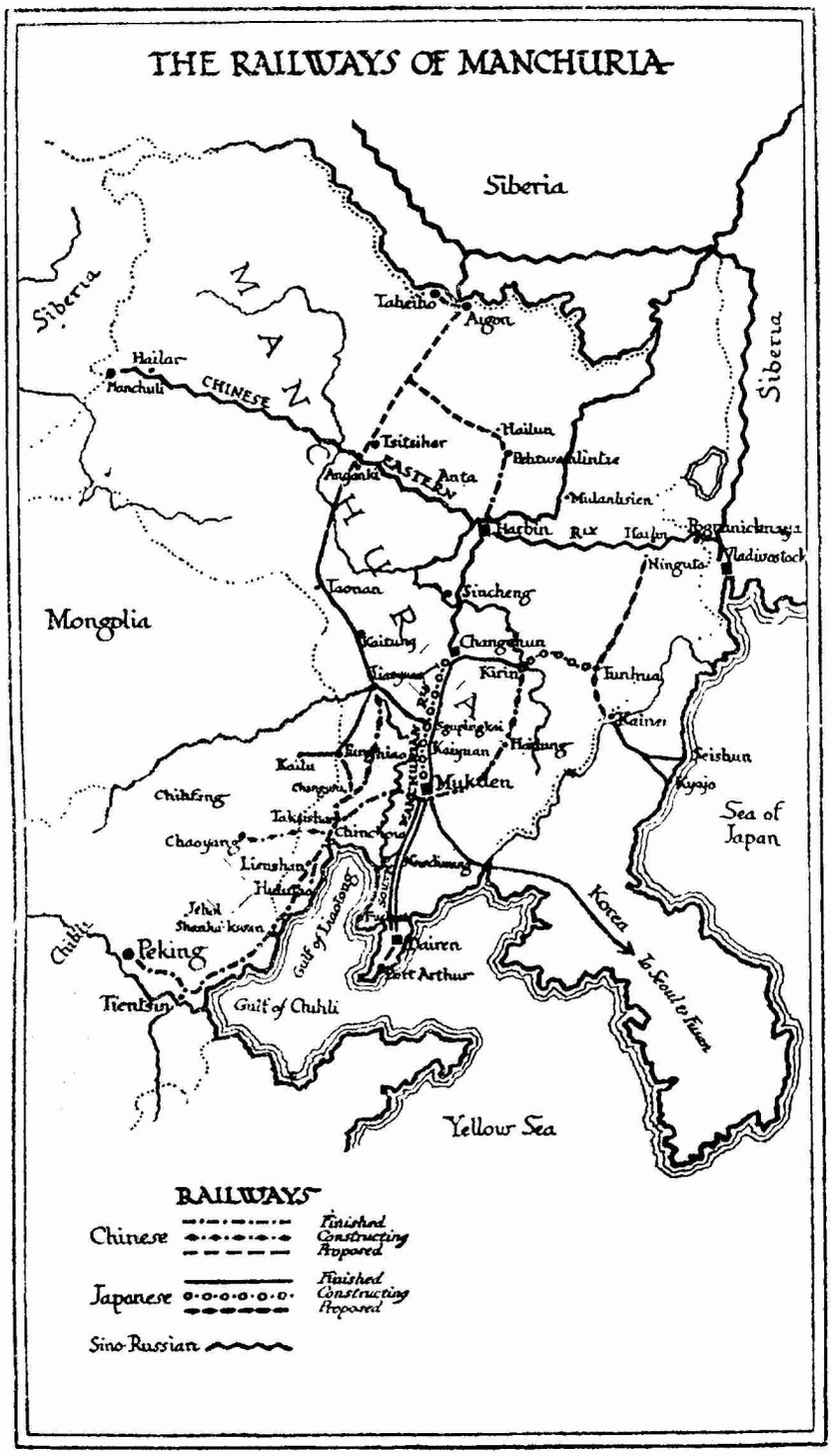
Manchuria: Drama of Railways and Politics

(Reprinted from The March "Round Table" London)

I. A Triangular Struggle

IN the foreign relations of China, Japan and Russia play important parts, and the scene of their action is Manchuria. Within China proper they have interests and purposes which have provoked conflict in the past and may provoke significant conflict, or perhaps even more significant accord in the future. But nothing within the Great Wall has a concern for Japan comparable to her Manchurian interests; and for Russia too, Eastern Siberia, the Chinese Eastern Railway and Vladivostok are more important than the Yangtze. Russia and Japan have fought one another, in war and diplomacy, on this Chinese territory ever since Japan first encountered the resistance of Russia in 1894, when she was compelled to relinquish the Kwantung peninsula, the prize of the Chinese war. After a brief period, the fortunes of Japan in northeast China rose once more at the expense of Russia. The Manchurian war of 1904 gave Japan what Russia had refused her ten years before: the Anglo-Japanese alliance enabled her to increase her hold on the mainland with little fear of international consequences, and the great war presented opportunities in 1915 and 1919 which she was not slow to seize. At the close of the Paris Conference Japan was in control (though not in occupation in every case) of Manchuria, Eastern Siberia, Inner Mongolia and Shantung, with a pro-Japanese Government in Peking and Japanese outposts on Lake Baikal; and the only fly in the ointment—a very effective insect too!—was the Inter-Allied Committee of Control which administered the Chinese Eastern Railway. Not for seventy years had Russian prestige in the Far East fallen so low, and the vaulting ambition of Japanese imperialists seemed to have realised itself almost by magic. But the moment of triumph was fleeting. On May 31, 1921, the United States Government warned Japan that it could not "acquiesce in any action taken by the Government of Japan which might impair existing treaty rights on the political or territorial integrity of Russia." The tide had turned; and by the end of 1922 Japan had fallen back to her position of 1910, the year in which she annexed Korea. The Russo-Japanese struggle for the control of Northern Manchuria was apparently resumed, on terms less unfavorable to Russia than seemed possible only two years before.

Now, it has become the habit to regard Manchuria as the scene of a duel between Russin and Japan; and the foregoing paragraph may seem to lend colour to that view. In fact, however, it is the arena of a triangular struggle in which the third party, China, has begun to play a part less supine than hitherto. Manchuria is Chinese territory, though lying outside the Great Wall, and Chinese "Governments," North and South alike, miss no opportunity of reminding Japan that Chinese rights must be respected. An indication of the Jappanese attitude may be found in the fact that the official guide books issued by the Japanese Government Railways exclude Manchuria from the volume on "China," and place Korea, Manchuria and Siberia in a volume by themselves, an arrangement which has some political significance. Japan claims a "special position" for which she has fought and which she protects largely by her control of the South Manchurian Railway; and in September 1927 the President of that railway, Mr. Jotaro Yamamoto, declared publicly that what Japan had bought with the blood of her soldiers at Port Arthur she would defend even to the point of war if necessary. Russia, on the other hand, seeks to regain her prestige in eastern Asia, and to retain effective control of her outlet to the Pacific Ocean at Vladivostok, which implies not only ownership of the Trans-Siberian Railway, but also the maintenance of Russian rights in the management of the Chinese Eastern Railway. The crux of this three-fold rivlry lies in the railway of Manchuria, and the railway map* is, therefore, the key to Manchurian politics.



II. The Railway Position

The railways of Manchuria are of three kinds, Chinese, Japanese, and Sino-Russian; and over them *all* China has definite rights, either of actual ownership, or of purchase at given dates under specific treaty terms, or of reversion without purchase. The two pivots upon which all Manchuria railway transport turns are the South Manchurian Railway which runs from Dairen *via* Mukden to Changchun, and the Chinese Eastern Railway which runs from Manchuli (on the Manchurian-Siberian border) to Pogranichnaya where it joins a section of the Trans-Siberian line leading to Vladivostok. Both lines were originally constructed by Russia under the Sino-Russian Agreement of 1896, the southern branch from Harbin to Dairen being added to the original Chinese Eastern Railway project after Russia obtained the twenty-five year

lease of Port Arthur in 1898. In 1905, this section, Changchun-Dairen, passed into the control of Japan under the Treaty of Portsmouth and has since been known as the South Manchurian Railway. Incidentally, we may note that the Japanese Government changed the gauge from five-foot to standard, so that there is now a break of gauge at Changchun.

Under the original agreement of 1896, the Russo-Chinese Bank received the contract to construct and operate the railway and the Chinese Government subscribed five million taels to the capital of the Bank. The Chinese Eastern Railway Company was created to exploit the contract, with a president nominated by the Chinese Government and a seal granted by it. The operating rules were to conform to Russian usage, and the shares of the company to be held only by Chinese and Russian subjects. The company held the line on a lease of eighty years, with a break at the end of thirty-six years, when the Chinese Government might exercise its option of purchasing it; but if that option were not exercised, the whole railway would pass free of cost into the ownership of China at the expiry of the original eighty years. It will be seen, then, that the option date (1932) is approaching. When Japan took over the southern section in 1905, the original lease had twenty-seven years to run, but in 1915, as the result of the Twenty-one Demands, the term was extended to ninety-nine years in all; and the Japanese now maintain that both in 1905 and in 1915 they secured from China an undertaking not to construct new lines, parallel to, and competing with the South Manchurian Railway. The significance of this claim will be apparent later on; and meanwhile, the terms of the Chinese Eastern Railway lease have given rise to sharp controversy between China and Russia, both in respect of the condition of re-purchase at the thirty-six year break and in respect of the current conditions of management. For the present purpose we may leave aside the French claim to an interest which is based on the fact that French capital was one of the mainstays of the Russo-Chinese Bank under the regime of the Tsars.

The Future of Manchuria

The railway map of Manchuria is thus in the shape of a T. and the chief cause of controversy is the exploitation by railway construction of the area on either side of the upright stroke. Both sides serve vast and rich regions, bearing timber, cereals, beans and minerals, and neither side, except part of South Manchuria, at present carries a large population. Without endorsing some of the more extravagant comparisons which roseate forecasts of Manchuria's future have prompted, such as the statement that it possesses greater wealth in agriculture, minerals, and water-power than the valley of the Mississippi, we can see that it offers a home and good prospects to a population many times its present numbers, and that it was no hyperbole for the vice-president of the South Manchurian Railway to say that in five years (1926-1932) the total railway mileage will have grown from its present 3,000 to 5,000, there being under actual construction in 1927 just under 600 miles of new line. And it is a fact of melancholy import for China that the three Manchurian provinces account for more than one-third of the total railways of China, the other eighteen provinces possessing some 6,000 miles against the 3,000 miles built and 600 building in Manchuria, and that the creator of the contrast is Japan.

Present evidences of development also are to be found elsewhere than in railways. The three Manchurian provinces (Fengtien, Kirin and Heilungkiang) are prosperous as none other in China: Dairen has risen in twenty years from the fortieth to the third place among the ports of China, and will soon dispute with Tientsin the right to the second; great concessions in timber, gold and water-power have brought capital in large quantities; and with this growth has come a new population. But whence? Twenty years ago the Japanese believed that they had found in Manchuria the solution of their domestic problem of overcrowding; and if the country had been continuously and effectively colonised from Japan, there would have been a very different situation both in Japan and in Manchuria from that which to-day exists. Japan has failed to colonise Manchuria and has been forced merely to exploit it. Despite inducements, the Japanese people has not overflowed into the wide regions of Manchurian prosperity which lay open to them twenty years ago, and to-day those regions are filling at the rate of at least half a million a year with Chinese from Shantung, Chihli, and even from Honan, Anhui and Kiangsu. Moreover, a most significant change has come over the character of the Chinese migration throughout the five northern provinces. Before the Chinese civil war reached its acute stage, this migration was largely seasonal—"spring come, autumn go"—and the net increase of the population in Manchuria from this source was not large; but since 1923, and by leaps and bounds since 1926, the movement of permanent settlers has grown. By junk, by rail, by steamer; from Shanghai, Haichow, Weihaiwei, in trickles; from Tsingtao and Tientsin in unbroken streams; turning their backs for ever on their congested homes, the peasantry of north China move further north to seek in Manchuria, even at the cost of a freezing winter, the security which civil war denies them at home. This growth in population, estimated at two million in four years, has great economic significance for the three eastern provinces, and especially for the rich virgin areas north of the Chinese Eastern Railway; but it has also a political significance which is not small now, and will grow greater every year. It is the sheet anchor of Chinese rights.

Of the three rivals in Manchuria, Japan is the strongest; and in order to appreciate the strength of her position, as well as the change in the whole Manchurian situation since 1905 it is necessary to study, as closely as available information permits, the railway map once more. As we open it we shall bear in mind that it is vital to Japan that the economic resources of Manchuria should be available to sustain the economic life of her islands and that it is vital to China that neither Japan nor Russia should strengthen their existing hold on Chinese territory outside the Great Wall. For Russia it is vital that the shorter line of communication to the Pacific Ocean *via* the Chinese Eastern Railway should not pass wholly out of her control. The foundation of Japanese power, both in trade and in war, is the South Manchurian Railway, the extended lease of which has nearly seventy years still to run under the Sino-Japanese Treaty which followed the Twenty-one Demands in 1915. The zone of the railway is protected by a division of the Japanese army stationed at Mukden; and the areas selected for business and residence in all the towns along the railway are systematically planned and provided with light and power, in both respects presenting a marked contrast to the Chinese towns beside them. The more highly developed region lies between Dairen and Mukden; but the significant railway projects, which show the trend of Japanese penetration, lie further north. A little more than one hundred miles north of Mukden is the junction of Szupingki from which the most important new line on the west side of the T runs through Liaoyuan and Taonan to Anganki on the Chinese Eastern Railway, seventeen miles south of Tsitsihar. This line is the first limb of a general design by which the Japanese intend to divert the increasing traffic of central and north Manchuria from the Chinese Eastern Railway and Vladivostok to the South Manchurian Railway and Dairen. Subsidiary lines on either side will feed the main line. On the east side of the T the Japanese control the Changchun-Kirin line, are actually pushing it eastward to Tunhua, and have surveyed extensions south-eastward to join the line from northern Korea at Kainei and northwards to Ninguta and Hailin, the latter a station on the Chinese Eastern Railway about 80-100 miles from the Manchurian border of the maritime province.

The Economic Side

These projects have a definite economic justification, and as the northern area begins to fill with new population they are assured of a prosperous future. It is, however, their political effect which gives them a significance now and hereafter. Every mile of new construction increases Japanese control, and as the railway leases are long, the period of Japanese exploitation has no immediate limits. China is thus driven to adopt her own measures in order to secure her part in the railway traffic and to strengthen her power to insist on her sovereign rights in Manchuria. The Chinese plan is based on the existing Peking-Mukden line, and the preparations made in 1927 for the resumption of the harbor-works at Hulutao show that the Chinese intend to make that port the future rival of Dairen. Hulutao is served by a branch line which runs seawards from Lienshan, a station on the Mukden line some distance north-east of Shanhaikwan, the point where the Great Wall reaches the Gulf. The main line runs from Peking *via* Tientsin and Chinchow to Mukden; and on September 3, 1927, the eastern extension from Mukden to Hailung was opened for all traffic by the civil Governor of Fengtien (Moh Teh-hui) in the presence of General Yang Yu-ting, the chief of staff to Chang Tso-lin. This Mukden-Hailung line is the southern section of a project which will eventually carry the Peking-Mukden railway to Kirin where it will touch the eastern section of the South Manchurian Railway and may eventually be carried beyond it northwards. In a similar fashion another north-western feeder for Hulutao has been constructed *via* Takushan to Changwu and is being pushed on to Tungliao (also called Payintala) where it will meet a Japanese-built line from Liaoyuan. Beyond that, the Chinese project is inchoate; but there are indications of an intention to establish connection between the Chinese Eastern Railway and the Peking line, independent of the South Manchurian Railway, by new lines from Hailar, or Anta, or both. Sincheng (also called Fuyu or Petuna), a town on the Upper Sungari River about equidistant from Harbin and Changchun, seems likely to play an important part in the development of Chinese railway plans in this region but although lines running from it to Kaitung, Anta and Harbin were reported in Peking in 1927 to be projected for immediate construction, little in fact was done by the end of the year.

These projects have aroused vigorous Japanese opposition. The Japanese Government maintains that, when the South

(*Continued on page 328*)

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

The Peking-Hankow Line, most important section of China's overland route, enables tourists and travellers to get a glimpse of Old China, the train passing through magnificent scenery traversing the great plains of Chihli, the central portion of Honan and the mountainous regions of the eastern part of Hupeh province.

The Peking-Hankow route joins at Fengtai the main line of the Peking-Mukden Railway, by means of which this line is connected with railways in Manchuria, Korea, Japan and Siberia, while steamer facilities at Hankow bring it into easy communication with the Yangtze River ports and Shanghai.

In the future, this line will connect by means of a ferryboat with the Hankow-Canton Railway, whose completion will bring the Capital of China and Hankow, the Great Central Market, within easy distance of Canton, then southeastern mentropolis.

From the Capital to Hankow the journey takes about 30 hours by the bi-weekly "Express" through train which is provided with up-to-date sleeping and dining accommodations.

CHIKUNGSHAN MOUNTAIN (Summer Resort).—Not many inland Summer Resorts in China offer scenes which can bear comparison with the charming views that reward those who ascend the mountain of Chikungshan, whose summit stands at an attitude of 1980 ft. On reaching Sintien station, situated 100 M from Hankow, a serpentine road climbs the mountain, on top of which are hundreds of beautiful bungalows awaiting vacationists. This popular resort is celebrated for its scenery, where an almost unbroken communion with nature can be enjoyed for a week at a time.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address to Mr. C. H. Yang, Managing Director, Peking-Hankow Line, Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road, Shanghai

The Chinese-Japanese Treaty Relative to Shantung

The so-called Shantung problem, concerning which there was world-wide discussion prior to and during the year 1921, resulted from Japan defeating the German garrison at Tsingtao during the World War and taking possession, not only of Kiaochow, but of the German railway and mines in Shantung. Japan was confirmed in the possession of the former German interests in Shantung by the Versailles Peace Treaty but this Treaty was never approved by the U. S. Senate, largely because of the clauses which made Japan the successor to German interests. As a result of various questions which arose after the war, President Harding invited the principal nations of the world to a Conference at Washington, D. C. in 1921, the sittings of which continued to the following year. One of the principal matters dealt with at the Conference was this question of Shantung.

This is the full text of the treaty on Shantung agreed upon by Chinese and Japanese delegates in Washington, D. C., February 4, 1922.

JAPAN and China, being equally animated by a sincere desire to settle amicably and in accordance with their common interest outstanding questions relative to Shantung, have resolved to conclude a treaty for the settlement of such questions, and have to that end named as their Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan;
Baron Tomosaburo Kato, Minister of the Navy;
Baron Kijuro Shidehara, Ambassador Extraordinary and Plenipotentiary; and
Masanao Hanihara, Vice-Minister for Foreign Affairs;
His Excellency the President of the Chinese Republic;
Sao-Ke Alfred Sze, Envoy Extraordinary and Minister Plenipotentiary;
Vikyuin Wellington Koo, Envoy Extraordinary and Minister Plenipotentiary; and
Chung-Hui Wang, Former Minister of Justice;

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:

SECTION I.

Restoration of the Former German Leased Territory of Kiaochow

Article I.

Japan shall restore to China the former German Leased Territory of Kiaochow.

Article II.

The government of Japan and the government of the Chinese Republic shall each appoint three Commissioners to form a Joint Commission, with powers to make and carry out detailed arrangements relating to the transfer of the administration of the former German Leased Territory of Kiaochow and to the transfer of public properties in the said Territory and to settle other matters likewise requiring adjustment.

For such purposes, the Joint Commission shall meet immediately upon the coming into force of the present Treaty.

Article III.

The transfer of the administration of the former German Leased Territory of Kiaochow and the transfer of public properties in the said Territory, as well as the adjustment of other matters under the preceding Article, shall be completed as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present Treaty.

Article IV.

The government of Japan undertakes to hand over to the government of the Chinese Republic, upon the transfer to China of the administration of the former German Leased Territory of Kiaochow, such archives, registers, plans, title-deeds and other documents in the possession of Japan, or certified copies thereof, as may be necessary for the transfer of the administration, as well as those that may be useful for the subsequent administration by China of the said Territory and of the Fifty Kilometre Zone around Kiaochow Bay.

SECTION II.

Transfer of Public Properties.

Article V.

The government of Japan undertakes to transfer to the government of the Chinese Republic all public properties including land, buildings, works or establishments in the former German Leased Territory of Kiaochow, whether formerly possessed by the German authorities, or purchased or constructed by the Japanese authorities during the period of the Japanese administration of the said Territory, except those indicated in Article VII. of the present Treaty.

Article VI.

In the transfer of public properties under the preceding Article, no compensation will be claimed from the government of the Chinese Republic: Provided, however, that for those purchased or constructed by the Japanese authorities, and also for the improvements on or additions to those formerly possessed by the German authorities, the government of the Chinese Republic shall refund a fair and equitable proportion of the expenses actually incurred by the government of Japan, having regard to the principle of depreciation and continuing value.

Article VII.

Such public properties in the former German Leased Territory of Kiaochow as are required for the Japanese Consulate to be established in Tsingtao shall be retained by the government of Japan, and those required more especially for the benfit of the Japanese community, including public schools, shrines and cemeteries, shall be left in the hands of the said community.

Article VIII.

Details of the matters referred to in the preceding three Articles shall be arranged by the Joint Commission provided for in Article II. of the present Treaty.

SECTION III.

Withdrawal of Japanese Troops

Article IX.

The Japanese troops, including gendarmes, now stationed along the Tsingtao-Tsinanfu Railway and its branches, shall be withdrawn as soon as the Chinese police or military force shall have been sent to take over the protection of the Railway.

Article X.

The disposition of the Chinese police or military force and the withdrawal of the Japanese troops under the preceding Article may be effected in sections.

The date of the completion of such process for each section shall be arranged in advance between the competent authorities of Japan and China.

The entire withdrawal of such Japanese troops shall be effected within three months, if possible, and, in any case, not later than six months, from the date of the signature of the present Treaty.

Article XI.

The Japanese garrison at Tsingtao shall be completely withdrawn simultaneously, if possible, with the transfer to China of the administration of the former German Leased Territory of Kiaochow, and, in any case, not later than thirty days from the date of such transfer.

SECTION IV.

Maritime Customs at Tsingtao

Article XII.

The Custom House of Tsingtao shall be made an integral part of the Chinese Maritime Customs upon the coming into force of the present Treaty.

Article XIII.

The Provisional Agreement of August 6, 1915, between Japan and China, relating to the reopening of the Office of the Chinese Maritime Customs at Tsingtao shall cease to be effective upon the coming into force of the present Treaty,

SECTION V.

Tsingtao-Tsinanfu Railway

Article XIV.

Japan shall transfer to China the Tsingtao-Tsinanfu Railway and its branches, together with all other properties appurtenant thereto, including wharves, warehouses and other similar properties.

Article XV.

China undertakes to reimburse to Japan the actual value of all the Railway properties mentioned in the preceding Article.

The actual value to be so reimbursed shall consist of the sum of fifty-three million, four hundred and six thousand, one hundred and forty-one (53,406,141) gold marks (which is the assessed value of such portion of the said properties as was left behind by Germany), or its equivalent, plus the amount which Japan, during her administration of the Railway, has actually, expended for permanent improvements on or additions to the said properties, less a suitable allowance for depreciation.

It is understood that no charge will be made with respect to the wharves, warehouses and other similar properties

mentioned in the preceding Article, except for such permanent improvements on or additions to them as may have been made by Japan, during her administration of the Railway, less a suitable allowance for depreciation.

Article XVI.

The government of Japan and the government of the Chinese Republic shall each appoint three Commissioners to form a Joint Railway Commission, with powers to appraise the actual value of the Railway properties on the basis defined in the preceding Article, and to arrange the transfer of the said properties.

Article XVII.

The transfer of all the Railway properties under Article XIV. of the present Treaty shall be completed as soon as possible, and, in any case, not later than nine months from the date of the coming into force of the present Treaty.

Article XVIII.

To effect the reimbursement under Article XV. of the present Treaty, China shall deliver to Japan simultaneously with the completion of the transfer of the Railway properties, Chinese Government Treasury Notes, secured on the properties and revenues of the Railway, and running for a period of fifteen years, but redeemable, whether in whole or in part, at the option of China, at the end of five years from the date of the delivery of the said Treasury Notes, or at any time thereafter upon six months' previous notice.

Article XIX.

Pending the redemption of the said Treasury Notes under the preceding Article, the government of the Chinese Republic will select and appoint, for so long a period as any part of the said Treasury Notes shall remain unredeemed, a Japanese subject to be Traffic Manager, and another Japanese subject to be Chief Accountant jointly with the Chinese Chief Accountant and with co-ordinate functions.

These officials shall all be under the direction, control and supervision of the Chinese managing director, and removable for cause.

Article XX.

Financial details of a technical character relating to the said Treasury Notes, not provided for in this Section, shall be determined in common accord between the Japanese and Chinese authorities as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present Treaty.

SECTION VI.

Extensions of the Tsingtao-Tsinanfu Railway

Article XXI.

The concessions relating to the two extensions of the Tsingtao-Tsinanfu Railway, namely, the Tsinanfu-Shunteh and the Kaomi-Hsuchowfu lines, shall be made open to the common activity of an international financial group, on terms to be arranged between the government of the Chinese Republic and the said group.

SECTION VII.

Mines

Article XXII.

The mines of Tsechwan, Fangtze and Chinlingchen for which the mining rights were formerly granted by China to Germany, shall be handed over to a company to be formed under a special charter of the government of the Chinese Republic, in which the amount of Japanese capital shall not exceed that of Chinese capital.

The mode and terms of such arrangement shall be determined by the Joint Commission provided for in Article II. of the present Treaty.

SECTION VIII.

Opening of the Former German Leased Territory of Kiaochow

Article XXIII.

The government of Japan declares that it will not seek the establishment of an exclusive Japanese settlement, or of an international settlement, in the former German Leased Territory of Kiaochow.

The government of the Chinese Republic, on its part, declares that the entire area of the former German Leased Territory of Kiaochow will be opened to foreign trade, and that foreign nationals will be permitted freely to reside and carry on commerce, industry and other lawful pursuits within such area.

Article XXIV.

The government of the Chinese Republic further declares that vested rights lawfully and equitably acquired by foreign nationals in the former German Leased Territory of Kiaochow, whether under the German regime or during the period of the Japanese administration, will be respected.

All questions relating to the status or validity of such vested rights acquired by Japanese subjects or Japanese companies shall be adjusted by the Joint Commission provided for in Article II. of the present Treaty.

SECTION IX.

Salt Industry

Article XXV.

Whereas the salt industry is a government monopoly in China, it is agreed that the interests of Japanese subjects or Japanese companies actually engaged in the said industry along the coast of Kiaochow Bay shall be purchased by the government of the Chinese Republic for fair compensation, and that the exportation to Japan of a quantity of salt produced by such industry along the said coast is to be permitted on reasonable terms.

Arrangements for the above purposes, including the transfer of the said interests to the government of the Chinese Republic, shall be made by the Joint Commission provided for in Article II. of the present Treaty. They shall be completed as soon as possible and, in any case, not later than six months from the date of the coming into force of the present Treaty.

SECTION X.

Submarine Cables

Article XXVI.

The government of Japan declares that all the rights, titles and privileges concerning the former German submarine cables between Tsingtao and Chefoo and between Tsingtao and Shanghai are vested in China, with the exception of those portions of the said two cables which have been utilized by the government of Japan for the laying of a cable between Tsingtao and Sasebo; it being understood that the question relating to the landing and operation at Tsingtao of the said Tsingtao-Sasebo cable shall be adjusted by the Joint Commission provided for in Article II. of the present Treaty, subject to the terms of the existing contracts to which China is a party.

SECTION XI.

Wireless Stations

Article XXVII.

The government of Japan undertakes to transfer to the government of the Chinese Republic the Japanese wireless stations at Tsingtao and Tsinanfu, for fair compensation for the value of these stations, upon the withdrawal of the Japanese troops at the said two places, respectively.

Details of such transfer and compensation shall be arranged by the Joint Commission provided for in Article II. of the present Treaty.

Article XXVIII.

The present Treaty (including the Annex thereto) shall be ratified, and the ratifications thereof shall be exchanged at Peking as soon as possible, and not later than four months from the date of its signature.

It shall come into force from the date of the exchange of ratifications.

In witness whereof, the respective Plenipotentiaries have signed the present Treaty in duplicate, in the English language, and have affixed thereto their seals.

Done at the City of Washington this fourth day of February, One Thousand Nine Hundred and Twenty-Two.

SAO-KE ALFRED SZE	(L. S.)
V.K. WELLINGTON KOO	(L. S.)
CHUNG-HUI WANG	(L. S.)
T. KATO	(L. S.)
K. SHIDEHARA	(L. S.)
M. HANIHARA	(L. S.)

ANNEX.

I.

Renunciation of Preferential Rights

The government of Japan declares that it renounces all preferential rights with respect to foreign assistance in persons, capital and material stipulated in the Treaty of March 6, 1898, between China and Germany.

II.

Transfer of Public Properties

It is understood that public properties to be transferred to the government of the Chinese Republic under Article V. of the present Treaty include (1) all public works, such as roads, water works, parks, drainage and sanitary equipment, and (2) all public enterprises such as those relating to telephone, electric light, stockyard and laundry.

The government of the Chinese Republic declares that in the management and maintenance of public works to be so transferred to the government of the Chinese Republic, the foreign community in the former German Leased Territory

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of Kiaochow shall have fair representation.

The government of the Chinese Republic further declares that, upon taking over the telephone enterprise in the former German Leased Territory of Kiaochow, it will give due consideration to the requests from the foreign community in the said Territory for such extensions and improvements in the telephone enterprise as may be reasonably required by the general interests of the public.

With respect to public enterprises relating to electric light, stockyard and laundry, the government of the Chinese Republic, upon taking them over, shall re-transfer them to the Chinese municipal authorities of Tsingtao, which shall, in turn, cause commercial companies to be formed under Chinese laws for the management and working of the said enterprises, subject to municipal regulation and supervision.

III.

Maritime Customs at Tsingtao

The government of the Chinese Republic declares that it will instruct the Inspector General of the Chinese Maritime Customs (1) to permit Japanese traders in the former German Leased Territory of Kiaochow to communicate in the Japanese language with the Custom House of Tsingtao; and (2) to give consideration, within the limits of the established service regulations of the Chinese Maritime Customs, to the diverse needs of the trade of Tsingtao, in the selection of a suitable staff for the said Custom House.

IV.

Tsingtao-Tsinanfu Railway

Should the Joint Railway Commission provided for in Article XVI. of the present Treaty fail to reach an agreement on any matter within its competence, the point or points at issue shall be taken up by the government of Japan and the government of the Chinese Republic for discussion and adjustment by means of diplomacy.

In the determination of such point or points, the government of Japan and the government of the Chinese Republic shall, if necessary, obtain recommendations of experts of a third Power or Powers who shall be designated in common accord between the two governments.

V.

Chefoo-Weihsien Railway

The government of Japan will not claim that the option for financing the Chefoo-Weihsien Railway should be made open to the common activity of the International Financial Consortium, provided that the said Railway is to be constructed with Chinese capital.

VI.

Opening of the Former German Leased Territory of Kiaochow

The government of the Chinese Republic declares that, pending the enactment and general application of laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German Leased Territory of Kiaochow in such municipal matters as may directly affect their welfare and interests.

T. KATO — SAO-KE ALFRED SZE
K. SHIDEHARA — V. K. WELLINGTON KOO
M. HANIHARA — CHUNG-HUI WANG

Agreed Terms of Understanding Recorded in the Minutes of the Japanese and Chinese delegations Concerning the Conclusion of the Treaty for the Settlement of Outstanding Questions relative to Shantung.

I. Transfer of Public Properties.

1 Japanese subjects will be permitted, subject to the provisions of Chinese law, to become members or shareholders of the commercial companies to be formed with respect to public enterprises mentioned in Paragraph 4 of Annex II. of the Treaty.

II. Withdrawal of Japanese Troops

2. After the withdrawal of the Japanese troops provided for in Articles IX-XI of the Treaty, no Japanese military force of any kind will remain in any part of Shantung.

III. Tsingtao-Tsinanfu Railway

3. All light railways constructed by Japan in Shantung and all properties appurtenant thereto shall be considered as part of the properties of the Tsingtao-Tsinanfu Railway.

4. The telegraph lines along the Railway shall also be considered as part of the Railway properties.

5. The Chinese authorities, upon taking over the Railway, shall have full power and discretion to retain or to remove the present employees of Japanese nationality in the service of the Railway. In replacing such employees, reasonable notice shall be given before the date of the transfer of the Railway. Detailed arrangements regarding the replacements to take effect immediately on the transfer of the Railway are to be made by the Joint Railway Commission provided for in Article XVI. of the Treaty.

6. The entire subordinate staff of the Japanese traffic manager and the Japanese Chief Accountant of the Railway is to be appointed by the Chinese managing director. After two years and a half from the date of the transfer of the Railway, the Chinese government may appoint an assistant traffic manager of Chinese nationality for the period of two years and a half, and such Chinese assistant traffic manager may likewise be appointed at any time upon notice being given for the redemption of the Treasury Notes under Article XVIII. of the Treaty.

7. The Chinese government is under no obligation to appoint Japanese subjects as members of the subordinate staff above mentioned.

8. The redemption of the Treasury Notes under Article XVIII. of the Treaty will not be effected with funds raised from any source other than Chinese.

9. The Chinese government will ask the Japanese government for such information as may be useful in making the selection of the Japanese traffic manager and the Japanese Chief Accoutant of the Railway.

10. All questions relating to the existing contracts or commitments made by the Japanese authorities in charge of the railway shall be settled by the Joint Railway Commission; and, prior to the transfer of the Railway, the said Japanese authorities will not make any new contracts or commitments calculated to be harmful to the interests of the Railway.

IV. Opening of the Former German Leased Territory of Kiaochow

11. The term "lawful pursuits" used in Article XXIII. of the Treaty shall not be so construed as to include agriculture, or any enterprise prohibited by Chinese law or not permitted to foreign nationals under the treaties between China and foreign Powers, it being understood that this definition shall be without prejudice to the question of the salt industry provided for in Article XXV. of the Treaty or to any question relating to vested rights which shall be determined in accordance with Article XXIV. of the Treaty.

V. Post Offices

12. All the Japanese Post Offices outside of the former German Leased Territory of Kiaochow shall be withdrawn sinultaneously with the transfer of the Tsingtao-Tsinanfu Railway, if such transfer shall take place before January 1,1922 and, in any case, not later than the said date.

13. All the Japanese Post Offices within the former German Leased Territory of Kiaochow shall be withdrawn simultaneously with the transfer of the administration of the said Territory.

VI. Claims

14. The omission of any reference in the Treaty to the question of claims which Chinese citizens may have against the Japanese authorities or Japanese subjects, for the restitution of real property in Shantung or for damages to the persons and property of Chinese citizens in Shantung, shall not prejudice such claims.

15. The Chinese authorities shall furnish the Japanese authorities with a list of such claims together with all available evidence in support of each claim. Justice shall be done through diplomatic channels as regards the claims against the Japanese authorities, and through ordinary judicial procedure as regards the claims against Japanese subjects. With respect to the latter class of claims, the investigation into actual facts of each case may, if necessary, be conducted by a Joint Commission of Japanese and Chinese officials, in equal number, to be specially designated for that purpose.

16. The Japanese government shall not be held responsible for any damages which may have been directly caused by military operations of Japan during the late war.

Senator Bingham Introduces a Resolution Concerning Eastern Samoa

Senator Hiram Bingham of Connecticut introduced a joint resolution in the U. S. Senate March 9 which has for its object the acknowledgment by Congress of the cession of the islands of Tutuila and Manua, generally referred to as Eastern Samoa, which were ceded to the United States about twenty-five years ago. Provision is made that the public land laws of the United States shall not apply in Samoa but that Congress shall enact special land laws for the islands. The resolution also provides for six commissioners to proceed to the islands for the purpose of drawing up suitable legislation.

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44-413

The Educational Program in Kiangsi Province

BY H. S. LIANG

DURING my recent brief visit to my native city, Nanchang, from which I had been absent for the last eight or nine years as a student and journalist in America I managed, out of my necessarily crowded schedule, to accomplish one thing that I feel I can record for public reading; and that was a one-hour interview with the much-talked-about Commissioner of Education for Kiangsi, Mr. Chen Li-kiang.

What prompted me to call on the Commissioner and to spend that hour with him was primarily my desire to confirm the many reports that came to me regarding the good that he is doing to the education of my native province. In fact, these reports began to clamor for my attention several months ago while I was still on the other side of the Pacific. One of these reports told me that "he is simply doing wonders for education in Kiangsi." Still another report informed me to the effect that "he is accomplishing what has been generally considered as the impossible by putting the educational work in Kiangsi on a sound and ever-progressive basis."

Armed with these reports I went to call on Mr. Chen. It was a Saturday morning, not later than nine-thirty o'clock. I presented my card at the gate and was told that he is exceedingly busy and that unless I had previous engagements with the Commissioner I might have to wait for a long time before he would be able to see me. I told the gateman that I would be willing to wait and at the same time explained to him my purpose of calling on the Commissioner. Patiently waited for about seven or eight minutes during which I thought of the great changes that the Nationalist Revolution has wrought in the various departments of Chinese life; and to these changes, I further reflected, officialdom evidently has not formed an exception judging from what I had just heard a moment ago. Time was when a high official of the Commissioner's rank would have been perhaps still wandering in his dreamland at 9:30 in the morning; but today I was told that the Commissioner is exceedingly busy in his office.

At Work at an Early Hour

At last I found myself in the interior of the building where Mr. Chen received me in the reception room. Smilingly he apologized for the fact that he was not able to pull himself away from his piles of work to receive me earlier. The room in which we sat was spacious and neatly furnished. On its walls there hung numerous pictures and charts showing the schools and other educational agencies in the different centers of the city and in the various parts of the province. In the center of the room there was a long table covered with a white cloth with chairs around, arranged in a most orderly manner. All this impressed me greatly. The very atmosphere that prevailed in that room at once began to remove whatever doubts I might have had regarding the truth of those reports about the remarkable work that the Commissioner of Education has been and is doing for Kiangsi.

After a few customary and complimentary remarks passed between us our conversation at once turned to the educational work in my native city and my native province.

"We, all of us here," Mr. Chen began in a simple and unaffected manner, "are trying to do our very best. Of course we wish we could do more. The building we are now occupying is daily becoming inadequate because of the constant expansion of our work. Education in Kiangsi is a fertile field, and the opportunity is simply immense. All we need is resources and men of ability to do the work—to organize, to plan and to put those plans into effect. After having been in the thick of the thing ever since my coming to Nanchang last year, I am increasingly convinced of one fact, namely, the fundamental solution of China's problems, no, the problems of the world, lies in education, education disseminated along systematic and scientific lines. It is education that will hasten the realization of Dr. Sun's fondest hope for a citizenry that is enlightened and capable enough to dictate and control the politics of this great nation of ours."

Our conversation went on for about 35 minutes, and I chose a convenient point to suggest that I would appreciate being shown around the building. This he consented to do with obvious enthusiasm.

Salt Tax Pays Salaries

"This used to be an old official residence," Mr. Chen said as we were passing from one part of the building to another. "We took it over and remodelled it to suit our use." It was a Chinese-styled and rather huge structure consisting of four or five separate buildings with three court-yards and two private gardens. The edifice housed six departments which make up the Educational Bureau. These six departments are: Department of General Administration, Department of Vocational Education, Department of Middle School Education, Department of Primary School Education, Department of Social Education, and Department of Finance. Of all these departments the last mentioned is most interesting and certainly novel for its existence in an educational bureau. "This is perhaps the first Bureau of Education that has such a department," Mr. Chen said. "Theoretically it may not be a good thing to have education and finance mixed. But under the circumstances we have found it working well. It has been our keenest realization that no stable educational work can be carried on without a stable source of income. And in these revolutionary times a stable income for any public work is not easy to obtain. So we petitioned the Provincial Government to appropriate the amount of money that is deemed necessary for the educational work in this province in the form of salt tax, that is, a portion of the salt tax equivalent to the estimated educational expenses for Kiangsi. The Government granted our petition and we are now collecting our own tax to take care of our educational work. Thus we are in every sense of the word financially independent. An immediate good that has come out of this arrangement is that every one of us employed by this Bureau is getting his salary three or four months in advance."

In addition to the rooms occupied by the six different departments as mentioned above, there are a reading room and a dining room for all the employes of the Bureau and a huge stock room for the printed matter of the Bureau. Under the personal supervision of Mr. Chen a weekly is published which is sent out to every school in the province.

"When I came to assume my office in this city," he continued, "I found practically every school closed due to the disruption created by the Communists. It was saddening to find the education of Kiangsi in such a bankrupt condition. After much intensive planning and organizing, we finally succeeded in opening a few primary schools. And today, we are glad to say, practically every school is running full blast under our new educational system, a system that places the greatest possible emphasis upon these four points:

1. To educate the students according to the ever-changing needs of society.
2. To secure the maximum development of every individual student.
3. To emphasize vocational education.
4. To develop a new spirit for common or social education.

Education for the Masses

"Regarding the matter of mass education, while we are doing everything possible for the city, we are also doing a great deal for the farmers and their children in the country by lecturing methods and by helping them to establish their own schools through a system of subsidy from this Bureau. In our city mass education work the newest method we are now employing is to broadcast simple and yet informative lectures over the radio. At present we have only one broadcasting station with several receiving stations scattered in the several strategic centers throughout the city. We are going to build more broadcasting stations if this method proves effective."

When I left the Bureau of Education after the interview I said to myself that if this sort of work is allowed to continue for five years Kiangsi will indeed be a new Kiangsi in education.

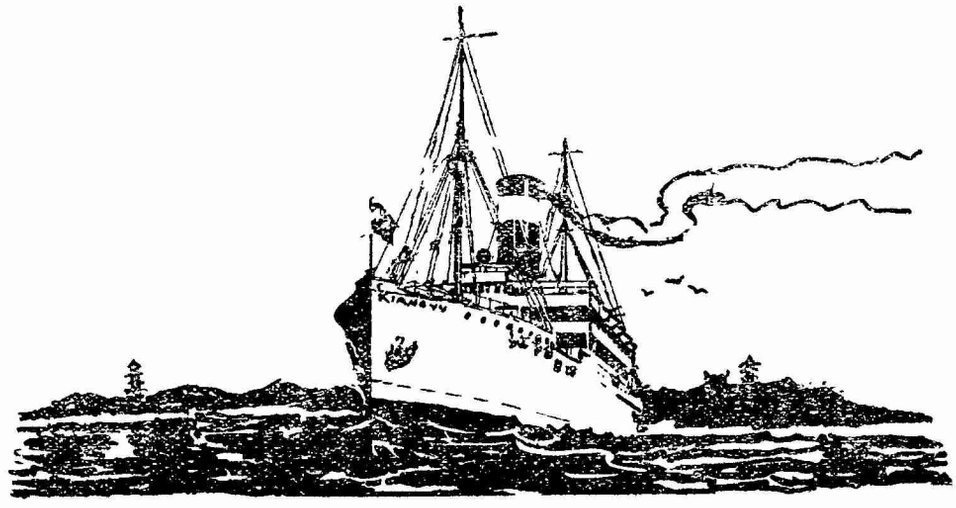
On my way home I saw in the school compounds, here and there, happy children playing, laughing and screaming as if to proclaim to the world their exuberant joy of being in school. I also noticed signs and posters, practically everywhere throughout the city, bearing words such as these: "If you do not know how to read and write, you are poor indeed." "If you know how to read and write go and teach your neighbors who cannot." "Be a good citizen through industry and thrift." "When you see a righteous deed, go and do it with courage."

If there are still those who blindly believe that the Nationalist Movement has brought into the country nothing but suffering and destruction, I suggest, at the close of this simple and inadequate report, that they take a trip to Nanchang and see what is being done in the field of education there.

Shanghai, May 2, 1928.

Price of Russian Platinum Reduced to Meet American Competition

Owing to increasing competition from the United States, the Soviet Government has reduced the price of platinum from $78 to $76 gold per ounce. The platinum industry in Russia is located in the Ural mountains and its output and sale are under the supervision of the Soviet Platinum Trust.



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(*Continued from page 318*)

Manchurian Railway lease was transferred from Russia to Japan in 1905, and again on the occasion of the Sino-Japanese Treaty of May 1915 (the Twenty-one Demands), the Chinese Government engaged not to construct, prior to the expiry of the South Manchurian lease, any main line or any branch line which might be prejudicial to the interest of the Japanese line.* The Chinese deny the validity of the claim, and Tang Shao-yi is reported to have said that no such agreement was ever signed. Mr. Mac-Murray, the United States Minister in Peking, whose compilation is commonly regarded as the most authoritative, describes the protocol quoted by the Japanese as "alleged"; but, though uncertainty surrounds it, it is probable that some such undertaking was given by China in 1905, if not in 1915. This dispute is an important fact in Sino-Japanese relations to-day, and is often quoted to prove that Chang Tso-lin is not the puppet of Tokyo. We need not linger over the evidence for and against the authenticity of the text upon which the Japanese claim rests; for the important feature of the situation is the deliberate resolve of the Chinese to play an effective part in Manchuria. Even Nationalist opponents of Chang Tso-lin applaud his policy and console themselves with the reflection that, inconvenient as he is to-day from their domestic point of view, he has upheld Chinese rights, and when he goes he will leave behind him substantial Chinese assets in Manchuria. His imperturbable prosecution of railway construction in the face of Japanese protests and even of downright Japanese obstruction (as, for instance, at the Kirin end of the Mukden-Hailung-Kirin extension) shows how shrewdly he realises the limits of Japan's present ability to enforce protest by action. Moreover, some of the sting of the protest was drawn when Vice-President Matsuoka, of the South Manchurian Railway, admitted (September 1927), that "the new as well as the existing lines will have all they can do to handle the increased traffic, and the talk of the danger of competition will be found to be exaggerated."

When China Protested

Three months ago (December 1927), it was China's turn to protest; for when news of the proposed loan of $30,000,000 from J. P. Morgan and Company to the South Manchuria Railway leaked out as the result of Mr. Thomas Lamont's visit to Japan, the Nationalist Government in Nanking saw therein an American intention to buttress the position of Japan in Manchuria, and addressed a vigorous protest to Washington, accompanied by a Press campaign, in which one writer framed his charge under the caption "America helps Japan to annex Manchuria." The purpose for which the loan will be used is not yet clear; but it is known that Manchurian Railway bonds bearing a high rate of interest mature this year, and that three-fifths of the recent internal Japanese loan of 50,000,000 Yen will be absorbed by their repayment. As the company is now completing the doubling of the main line from Kaiyuan to Changchun, and has a large replacement programme in hand, as well as financial demands from several of its manufacturing subsidiaries, including the Fushan collieries, the destination of the American loan can be guessed without resort to a hunt for more sinister motives. Nor is there much ground for the charge made by the London correspondent of the *Chicago Tribune* that Japan has been preparing for warlike intervention in Manchuria. Indeed, apart from precautionary measures which are no material for sensation, there are substantial reasons for believing that the Japanese Government is pacific if watchful, and that both the domestic and the international position of the Japanese Empire demand a cautious policy in Tokyo.

III. The Role of Japan

Turning now from the Manchurian problem in its Chinese aspect, we approach it from a point of vantage whence it leads deep into international politics. We have seen that China is not content to play a mute and minor part in the fate of the three eastern provinces; but Chinese action in Manchuria has not yet the same import for the peace of the Far East, or indeed of Asia and Europe, that Russo-Japanese relations possess. And of the three actors in the Manchurian drama, Japan plays the leading role.

To diagnose the mind of Japan is no easy task, for the great war and its aftermath have introduced several undefined and confusing factors. Some of the more obvious elements in her changed position are clear enough:—

1. The fall of Imperial Germany and with it the removal of the great exemplar which, in constitution and policy alike, had become the very pattern of excellence in the minds of the Japanese oligarchs and soldiers;

2. The change in Russia from Tsar to Soviet which, while changing nothing of the ultimate Russian purpose in Asia, introduced disconcerting novelties in European diplomacy, and gave the propagandist State a new way of entry into the domestic politics of friend and foe alike;

3. The equally disconcerting birth and flourishing adolescence of the League of Nations which may be said to be the measure of the completeness of the change from a world ruled by the Hohenzollern-Hapsburg-Romanov tradition to the world of the "new diplomacy";

4. The ending of the Anglo-Japanese Alliance, which we may take as the definite moment at which the new stock-taking began in Japan, the Washington Four Power Treaty being so much less definite in form and substance as still to leave Japan a freedom of choice which she did not possess under the Alliance;

5. The growth of new domestic forces, primed with "dangerous thoughts," which threaten the equilibrium of her constitutional imperialism and foreshadow the political hegemony of the proletariat.

All these and others of more obscure nature combine to make the future of Japan uncertain, even to her own most experienced leaders. What is certain is change. Now, of domestic change there need be no long dissertation in these pages; but even domestic change is likely to be so great a factor in the evolution of a new foreign policy that it is not irrelevant. Its nature is already visible, its final effects unknown. It is the result of Japanese economic policy since 1868, accentuated and accelerated by the wild prosperity of the years of the war; and its most extreme political manifestation is to be seen in the sudden leap from a limited to a universal male franchise, from two and a half million voters to eleven million! Rarely has any nation so intemperately challenged its own fate. Large changes in the balance of domestic power and in the foreign policy of Japan will follow this radical electoral change. We need not attempt to foretell them; but we cannot fail to perceive that, amid all changes, one thing remains constant and dictates to Japanese oligarch and democrat alike the ultimate aim of policy, namely, the imperious economic needs of Japan.

Japan grows at the rate of 700,000 new mouths every year; and to-day her population of 65,000,000 is the nightmare of her Government. The old belief that an imperial policy of colonisation would provide outlets for her overflowing population is not valid; for, though Japan annexed Korea in 1910 under the protecting screen of the Anglo-Japanese Alliance, and has every year increased her hold on Manchuria, ***mainly to provide new homes for her surplus people***, the people themselves refused to emigrate, and Japanese imperialism thus lost its original justification. it was then seen that if colonies could not take the population, markets must supply the means of support at home; so Manchuria, both as a market and as a source of supply, must be retained. But once in Manchuria, where was Japanese expansion to stop? China could not give the answer; but Russia had given it once before and might again. A large query thus hangs over the Manchurian future. Some there are who read the railway map which we described a page or two back, as conclusive evidence leading to war. Others, harking back to Russo-Japanese agreements of the past, and especially to those which were designed to baulk American plans, predict a closer rapprochement between Russia and Japan for purposes farther-reaching than anything that has yet gone before. In either event China has a vital interest. If Russia and Japan agree to share the spoils, China will pay the forfeit. If Russia and Japan pursue their rivalry in Manchuria, and fail to agree, the present impotence of China may not be fatal. Which way will the die be cast?

Of war there is no immediate danger; for no Power seems likely to press Japan to the point where her resistance must mean war. China will not do so, because she cannot: Russia will not do so because she prefers a back-stair approach rather than a frontal attack and has not the means to sustain another Manchurian war. Moreover those who read the situation of 1928 in terms of 1904 and thence predict the inevitable war have missed the most significant point. The roles of 1904 are reversed in 1928. Japan is the advancing Power, Russia the defensive. It is quite true that Russo-Japanese rivalry is the great factor; true also that there is a real conflict of interests behind the rivalry; but it does not follow that rivalry means war. The weaker party will not risk war, and it is not necessarily in the interest of the stronger to provoke it. Indeed we may find evidence in the railway map and in the physical resources of the two parties to show that war is a very improbable event. What Japan has done is to put herself in a position of such strength that Russia will hesitate to challenge her and that, in favouring circumstances, Russia may be disposed to be friendly. Japan is thinking not only of Soviet Russia in 1928, isolated, turbulent, provocative and weak; but of Russia in, say, 1950, stable, strong and able to carry out projects in Asia more permanent than any federation of autonomous republics. If Russia can be given sufficient

* "Alleged Secret Protocols to the Sino-Japanese Treaty of December 22, 1905," "Treaties and Agreements with and concerning China," edited by J. A. V. MacMurray, p. 554 (2 vols., New York, 1921).

The Osaka Mainichi and The Tokyo Nichi Nichi Said

"There are some really surprising sidelights on the situation in China—facts which are never brought out in the discussions waged in the treaty-port newspapers or even in diplomatic dispatches. Obviously there must be a Chinese point of view in all these matters, of which the average man gets so very one-sided an impression, and it is most necessary to have some understanding of that point of view in order to follow the course of events intelligently."

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guarantees for her access to the Pacific Ocean and for *some* share in Manchurian development she may betake herself to other parts of Asia and there carry on the historic Russian process which from Merv to Canton has given British statesmen periodical insomnia. To bring her to that frame of mind, it may be necessary to demonstrate the futility of unreasonable ambition in Manchuria, and that demonstration Japan has been diligently preparing for the last few years.

The strength of this demonstration is, again, the Japanese control of the Manchurian railway. In the event of war, Japan can capture Vladivostok by a *coup de main*; or, failing the success of a sudden surprise, she can compel Russia to use the circuitous route of the Amur section of the Trans-Siberian Railway, which virtually means the isolation of Vladivostok, because the Power that holds Harbin can make even the Amur line practically impassable. Within a year or two from to-day Japan will be astride of the Chinese Eastern Railway at Hailar (west of Harbin) and at Ninguta (east of Harbin): she will be able to pour armies into Manchuria *via* Korea and Dairen, perhaps even *via* Vladivostok: and finally she is at least seven days nearer her base than Russia in Manchuria. Thus without accepting the somewhat fictitious estimates of Japanese efficiency which have had currency since 1905, when Japan defeated a corrupt and inefficient enemy far from his base, and did so with no great margin to spare, we may conclude that the scales are heavily weighted in favor of Japan, and that Russia will probably find a less hazardous stake to play elsewhere. The goodwill of Japan, moreover, even if it be bought at a price, is an international asset which Soviet Russia is not likely to ignore.

Liberal Thought Growing

This is a speculative estimate in which there are many uncertain factors. The uncertainties are described above; and we need but add here that the experience of Japan since 1914, and the effects of the war upon her whole life have set up progressive changes in Japanese politics which are likely to dethrone militarism and to give the more liberal school of thought greater power in the counsels of her policy. The militarist school is losing ground. It has few representatives in the Press; and the great personages who were wont, in former times, to win its victories—as much by controlling its intemperate zeal as by exploiting its power—have now passed from the scene. Effective control is no longer in its hands. The Tanaka Government, whose arrival in power in April 1927 was hailed as a sign that the strong hand had won in Tokyo, has so far justified neither the fears of the liberals nor the expectations of the militarists; and everything now awaits the verdict of the new electorate at the polls. The truth is that the economic straits of Japanese finance and industry forbid adventure and that every circumstance counsels caution. Meanwhile, the Japanese Government has conducted a series of negotiations with Soviet Russia which are designed to eliminate from their relations in the Far East several subjects of possible economic conflict and therefore of political tension. Agreements concerning the exploitation of oil in northern Sakhalin and in Siberia and other questions preceded the discussion of the question of Japanese recognition of the Soviet Government; and even as early as April 1927, when the British Government was engaged in expelling the Soviet Agent from London and Chang Tso-lin's Government had raided the Soviet Military Attache's office in Peking, the Japanese Prime Minister, Baron Tanaka, in his first statement of policy to the Diet, pointedly referred to Russia as "our friendly neighbor."

The international consequences of a Russo-Japanese rapprochement are incalculable, and the rapprochement itself is not yet to be regarded as a fact. But enough has been said to establish it as a possibility which no interesfed party can afford to ignore. To explore all the avenues down which it might lead, and to what results, is a task beyond the scope of this article and may be allowed to await further developments. There are certain reflections, none the less, to which it gives rise and which may be set down as reasons both for a watchful interest and for a suspension of judgment upon the consequences, good or evil, of such an entente. We have seen how Japan is passing through a profoundly interesting stage in political development; and the same is true of Russia. A writer in *The Round Table** recently said that "the revolution has still to run its course; the new Russia has not yet arisen from the ashes." And he concluded that, while the Russia of the October revolution is going through a process of change, "the revolution has gone too deep into the bones of the people" for it to be possible to return to the old regime, and whatever new regime may be in store, "unless Russia should be involved in another foreign war, the change is more likely to be gradual than catastrophic." Now, a rapprochement with Japan might be a stabilising factor; and if it were contemporary with a gradual resumption of normal relations between wester Europe an \t prese** Russia is still an outcast from the fold, though looking with the eye of sceptical expectation at the League of Nations. Japan, too, feels that, while her position in the League is valuable, the comparative impotence of the League in eastern Asia gives her a free hand, in circumstances which the ending of the Anglo-Japanese Alliance only serves to accentuate. Therefore, if the alleged rapprochement were to proceed to definite treaty engagements while Russia is still held at arm's length by the West, the effect might be to weaken still further the influence of the League in the Far East, and to open the door to Russo-Japanese designs of a most formidable kind both for Great Britain and ultimately for the whole world. The ultimate effect of the suggested Russo-Japanese entente will thus depend on the one hand on Russian relations with the Western Powers, and, on the other, on the policy pursued by the same Powers in China.

**In Russia Now*, The Round Table, No. 69, Decemb 1927.

(*Continued from page 316*)

must cease fighting and unite against the common peril, so that neither side may take advantage of the situation to advance its own interests. Then we can appear to the world for its opinion, and seek a final solution. As the authorities of North and South are people of the same country and race and as fighting these many years has only caused suffering for the people, the time has arrived to stop all hostilities, show our sympathy for the principles of the Kuomintang and in accordance with the policy of Dr. Sun Yat-sen, call a national conference and settle national questions.

"Such an action would at once alter our diplomatic situation and put the whole nation on a solid basis. By so doing your great act would go down in history as a great accomplishment and your fame would be everlasting.

"We make this appeal in tears and hope that you will consider it carefully and seriously."

In addition to the protests issued by the Shanghai Chinese Chamber of Commerce, the Chinese National Associated Chambers of Commerece have issued a circular telegram to the central authorities of the Kuomintang, the central authorities of the Nationalist government, to the principal military and civil authorities, and to the newspapers expressing their indignation at the atrocities committed by the Japanese at Tsinan and voicing their opposition against the violation of international law by Japan in sending troops to Shantung.

The Amalgamated Association of Chinese merchants in Shanghai held a meeting May 6 to devise ways and means of dealing with the Japanese. Telegrams were sent to merchants and civilians in all parts of the country to institute boycotts against Japanese goods.

The Shanghai Special District Directing Committee of Kuomintang Affairs at a meeting May 6 decided to issue pamphlets urging a boycott on all forms of Japanese commercial activities. Students are advised to spend their spare hours after school hours in making public speeches on the Shantung affair.

A Provisional Union of Chinese newspapers, comprising the principal newspapers in Shanghai, has been formed to spread publicity on the Shantung matter. They particularly request the Nationalist government to give the newspapers prompt access to news.

The Chinese labor unions generally are holding meetings with the object of declaring an anti-Japanese boycott.

Shanghai College Students Observe May 4 By Special Service

May 4, which date since 1919 has been observed by the Chinese student world as a holiday, found the students of Shanghai (former Baptist) College, attending classes as usual. Dr. Herman C. Liu, president of the College, delivered an address at the special service which was held that day, in the course of which he stated that what China needed was a "constructive revolution," which will place her on an equality with other strong and powerful nations. The students voted Wu Tze-hui, Tsai Yuan-pei, Chiang Kai-shek, Feng Yu-hsiang and Hu Shih as China's five best citizens.

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Comments on Dr. H. H. Kung's Industrial Program

The following is a brief summary of an article on the above subject by Shen Ping-tsang.

Among the many declarations that have been made by the Nationalist authorities, one that merits the most serious consideration and the heartiest support of all foreigners and Chinese alike, is the recent manifesto of Dr. H. H. Kung, defining the administrative policy of the Ministry of Industry, Commerce and Labor. There is something in his program which assures us that the Minister does not mean to initiate paper reforms.

In the first place, readers of the manifesto cannot but be impressed with the earnestness and enthusiasm with which the Minister undertakes his uphill work. After pointing out the seriousness of the existing situation, he repeatedly states that he is inspired by the single motive of "establishing an indestructible link of mutual understanding between the Ministry and the people" so that great achievements may come out as the fruits of this co-operation.

That Minister Kung "means business" may also be shown by the unusual candor and carefulness with which he has selected his staff. He has taken great pains in enlisting the services of leading experts for the various phases of the work of his Ministry in order to provide the necessary facilities to hasten the execution of his ambitious program.

It is hardly necessary to remark that one of Dr. Kung's greatest tasks shall be the undertaking, in concert with other administrative organs concerned, of the revision of commercial treaties on the basis of equality and reciprocity.

Dr. Kung sees his task clearly. He frankly admits that the nation is actually facing a crisis; he calls it "economic suicide", for lack of a more appropriate name. "It is this very situation that is seized upon by professional agitators to imbue the minds of the populace with the sugar-coated pernicious doctrines of Communism, and they have succeeded in inflicting untold afflictions on the merchants as well as the laborers. "Salvation," he then goes on to suggest, "can only come from the adjustment and improvement of the conditions of the industrial and commercial classes of the country." Here, the Minister, with a precision characteristic of the expert surgeon, puts his finger right on the spot of the country's malady.

Dr. Kung's program is commented on in an article by Leo K. T. Yen, of which the following is a summary.

The Nationalist Government has been exerting itself in the direction of reconstructing China upon the basic principles carefully formulated by Dr. Sun Yat-sen. The dawn of a new era, in which the vast multitudes of men of China may begin to look for prosperity and normality of their country, is marked by the fact that the Central Executive and Supervisory Committees of the Kuomintang have cautiously chosen and appointed the best and ablest men, solely for the benefit of merchants, industrialists, workers and other bona fide citizens of China, to organize various important Ministries of which the Ministry of Industry, Commerce and Labor is a leading one.

Dr. H. H. Kung, the newly appointed head of the Ministry of Industry, Commerce and Labor of the Nationalist Government, has defined his administrative policy in his manifesto issued in all our leading papers. Minister Kung is of opinion that he should first proceed to analyze the country's general economic situation and to scrutinize its economic relations with the world at large. Such a study should at once help to reveal a good number of determinant or conditioning factors that have hitherto had important bearing upon the country's business depression and general retardation in various branches of industries. He will next set a period in which he expects to assist the merchants to bring the country's commercial condition back to normality, to recuperate the tremendous losses suffered by many as a result of the country's unrest, and finally to revitalize the potential spirit of the people of China for new enterprises. In succession to this preliminary stage of examination and recuperation, Minister Kung and his staff will then be ready to advance further into a stage of encouragement and expansion.

We have great confidence in Dr. H. H. Kung's administrative abilities. Besides being a leading thinker in the Nationalist Government, he has proved himself a powerful organizer. The very fact that he actually put all the members of his staff on probation and scrutinized their technical abilities, characters and capacities during a so-called "trial" period shows at once that he is an extremely careful and sincere man. We are absolutely positive that he will put his policy into execution to the greatest satisfaction of his people.

44-420

Who's Who in China

General Bei Tsung-chi
白崇禧
(Pai Chung-hsi)

General Bei Tsung-chi, one of the leading military commanders affiliated with the so-called Kwangsi faction in the Kuomintang, is a native of Kweilin, Kwangsi province, where he was born in 1893. He received his early military education at the Paoting Military Academy of Chihli Province. In 1911 he was at Wuchang when the first revolution broke out and although still a student participated in the fighting. Upon graduation from the Paotiong Academy he returned to Kwangsi province and assisted Generals Li Chung-jen and Hwang Shao-hsiung in the pacification of that area. At the beginning of the Northern advance from Kwangtung to the Yangtsze Valley, Gen. Bei was associated with Generals Chiang Kai-shek and Tang Shen-tse in the fighting in Hunan Province. As a result of this service he was appointed commander of the 13th army corps and later when the Nationalist forces occupied Hunan he was made Acting Chief of the General Staff. Gen. Bei led his forces into Kiangsi Province and after the defeat of the Northern Commander, Sun Chuan-fang, he advanced into Chekiang and then into Kiangsu, being the first Southern commander to reach Shanghai, occupying the city in March 1927.

Following the occupation of the Shanghai area, Gen. Bei was made Defense Commissioner of the Shanghai-Woosung Special Administrative District. When Gen. Chiang Kai-shek first attempted to carry the war into Shantung in 1927, Gen. Bei's army occupied Hsuchowfu, the strategic center in northern Kiangsu at the junction of the Lung-Hai and Tientsin-Pukow Railways, Gen. Bei at that time being leader of the 2nd Route army corps. In October of 1927 when the Nanking Government decided to conduct a punitive expedition against Gen. Tang Shen-tse owing to Gen. Tang's suspected affiliations with Marshal Chang Tso-ling, Gen. Bei Tsung-chi was appointed in command and was largely responsible for the defeat and eviction of Gen. Tang. In the spring of 1928 Gen. Bei resigned his position at Shanghai and removed his army to Hankow. He is now one of the commanders of the Nationalist troops in Hunan and Hupeh and is a member of the Wu-Han Branch of the Political Council.

Gen. Chang Chih-kiang
張之江

Gen. Chang Chih-kiang, prominent member of the Nationalist Government Council and concurrently a member of the Nationalist Military Council is a native of the Yenshan district of Chihli province where he was born in 1881. After serving in various branches of the army in the North, he was appointed Military Governor of the Chahar District and later Tupan of the Northwest Frontier force, participating in the defense of the district to the north of Peking against the Fengtien forces following the withdrawal of Marshal Feng Yu-hsiang from Peking. When Marshal Feng Yu-hsiang retired from the Kuominchun and spent a year in Russia, Gen. Chang Chih-kiang assumed command of the Kuominchun and was largely responsible for the masterly retreat from Kalgan across Mongolia into Kansu and Shensi. He served as Inspector-General for Honan, Shensi and Kansu provinces and recently had charge of the so-called Bandit Suppression forces in Honan. Following the reorganization of the Nationalist Government late in 1927, Gen. Chang was made a member of the Government and Military Councils, which positions he still holds.

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Possible Effects of Tsinan Incidents on Military and Political Situation

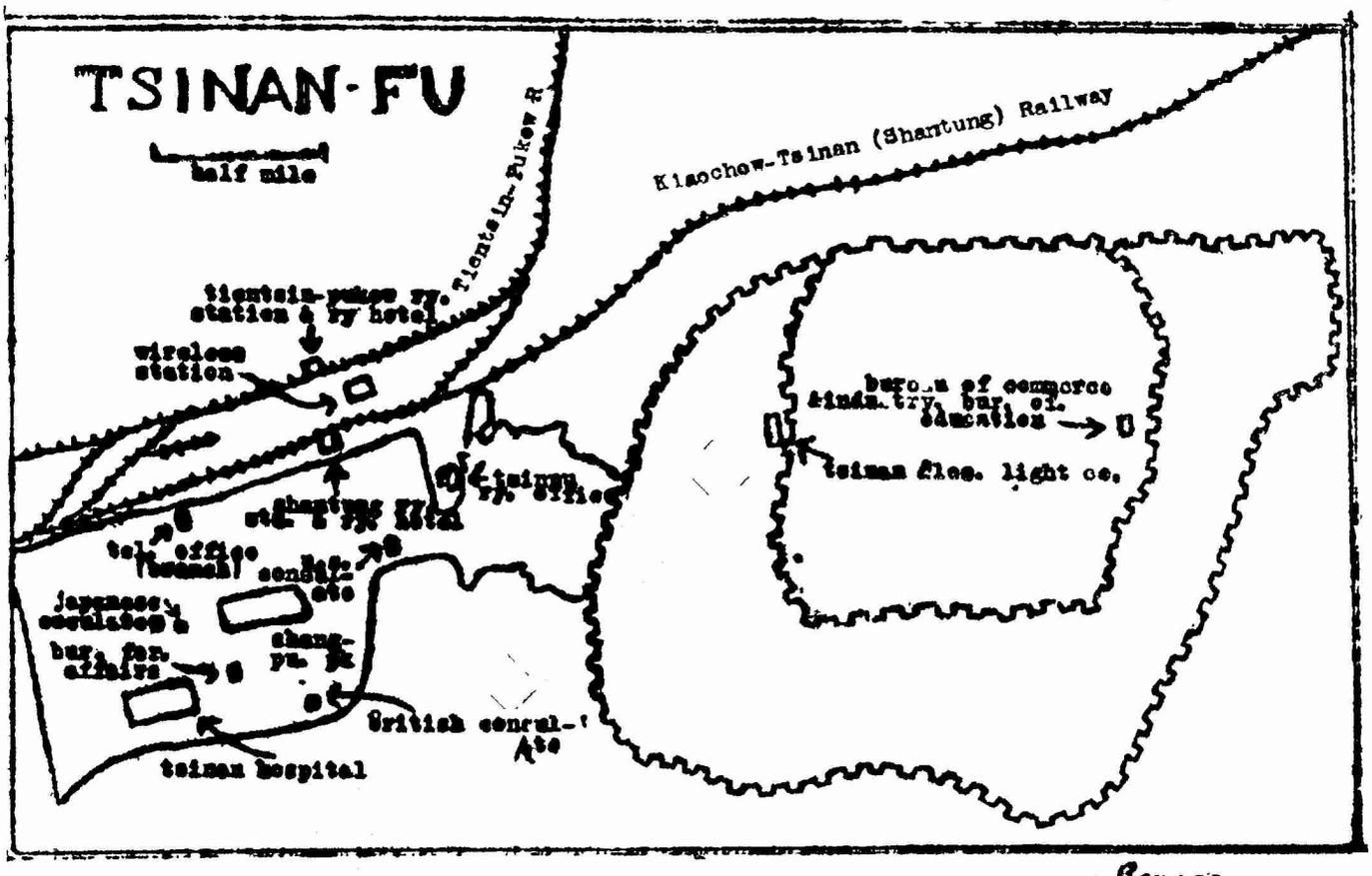
BY J. B. P.

While the officials of the Nationalist Government are counselling patience on the part of the Chinese public and are urging Generals Chiang Kai-shek and Feng Yu-hsiang to continue the Northern Expedition, it is a matter of considerable speculation in both Chinese and foreign circles as to the possible effects of the clash between Chinese and Japanese troops at Tsinan upon the domestic military and political situation. As these lines were written, (Tuesday, May 8) fighting had again broken out between the Nationalist troops and the Japanese, hence it is impossible to say now whether it is to be open warfare between Japan and the Chinese Nationalists. If it is to be open warfare between Nationalist China and Japan, it naturally would stop the military phases of the Chinese revolution and might, conceivably, bring about a unification of North and South against the common enemy.

carried reports from Peking suggesting that in view of the unfavorable military situation in the North that Marshal Chang Tso-ling may decide to take a trip abroad and in the event he did so, Gen. Yang Yu-ting would assume control of Fengtien; Wu Chun-sen of Heilungkiang; and Chang Tse-hsiang of Kirin and that the three Northern leaders would hoist the Nationalist and Kuomintang flags and voluntarily declare themselves upholders of Dr. Sun Yat-sen's "Three People's Principles."

Possible Effects in South China

The initial effect of the clash of Chinese and Japanese troops upon the South has been to inflame the people from one end of the country to the other. The Chinese newspapers in Shanghai are filled with reports of anti-Japanese mass-meetings throughout the Yangtsze Valley and South China, all of them calling for strong action on the part of the Gov-



-REUTER.

The Above Map of Tsinan, the Capital of Shantung, Shows the Location of the So-called Commercial Section of the City Where the Japanese Troops are Stationed and Where Most of the Fighting Between Chinese and Japanese Troops Has Taken Place. The Map Was Issued by *Reuters* Service.

Peking's Formal Protest

The Peking Government has registered a formal protest against the dispatch of Japanese troops to Shantung and against the actions of the Japanese at Tsinan, but on the other hand there have been reports from Peking through independent sources that Marshal Chang Tso-ling, the Peking Dictator, had expressed sympathy with the Japanese and had offered the Japanese full facilities for operating military trains on the northern section of the Tientsin-Pukow Railway between Tientsin and the Yellow River and also that Marshal Chang had offered the Japanese garrison in Tientsin access to his stocks of ammunition in that city for use in an attack upon the Nationalist position in Tsinan. These reports, however, should be taken with a considerable amount of salt, for the probabilities are that an open outbreak of war between Japan and China would unite the whole country under the Kuomintang banner. The Chinese General Chamber of Commerce at Shanghai has sent a telegram to the Northern warlords suggesting a cessation of hostilities and the holding of a national conference for the purpose of unifying the country in view of the new crisis with Japan which has developed. The local Chinese press in Shanghai has also

ernment and the immediate institution of a nation-wide anti-Japanese boycott, while one mass-meeting at the town of Wuhu in Anhwei Province demanded a declaration of war on Japan. It would thus seem that the initial effect of the Sino-Japanese clash will be to unify the various factions in the Kuomintang against the common enemy. A report from Hongkong on May 8 stated that Gen. Li Chi-sum had delivered an address denouncing the Japanese and shortly afterwards several large mass-meetings were held all demanding an immediate boycott of Japanese products.

Effect upon the Northern Expedition

The answer to the question as to the possible effects of the Japanese action at Tsinan rests entirely with the Japanese who have it in their power to effectively block the Nationalist armies operating in Shantung Province through the Japanese control of the Shantung Railway and their potential control of the section of the Tientsin-Pukow Railway in the vicinity of Tsinanfu. It has not been stated whether the 20 li zone about Tsinanfu which the Japanese are attempting to enforce, includes the transportation of Chinese troops on the Tientsin-Pukow Railway, but if it does, it will place Gen. Chiang Kai-shek under a serious handicap and will prevent him from

bringing his full force to bear against the Northern position at Techow, which is located north of the Yellow River on the Tientsin-Pukow line at the Chihli-Shantung border. Should this be the case, it would leave the further prosecution of the war to Marshal Feng Yu-hsiang and Gen. Yen Hsi-shan, the latter being the head of the Shansi forces which are operating to the west and northwest of Peking along the Chihli-Shansi border and on the Peking-Suiyuan-Railway.

150,000 Nationalist Troops in Tsinan Area

According to information supplied by Nationalist military officials at Shanghai there are now approximately 150,000 Nationalist troops in the Tsinan area, that is, within 100 miles of the city of Tsinan. In the immediate vicinity of Tsinan there are now said to be approximately 60,000 troops under generals Ho Ya-tsu, Hsiao To-yin and Feng Chen-wu. According to a recent statement by Gen. Chiang Kai-shek, these troops, excepting a small garrison of about 1,000 troops have been withdrawn to a line some 20 li (7 miles) from Tsinan in accordance with an understanding reached between Gen. Chiang and the Japanese military commander, Gen. Fukuda.

The chief Nationalist armies under the direct command of Gen. Chiang Kai-shek in the Tsinan area are the 1st, commanded by Gen. Liu Tse; 4th, under Gen. Miao Bei-nan; 9th, under Gen. Koo Tso-ting; 44th under Gen. Ho Yao-tsu and 37th (stationed along the Shantung Railway) under Gen. Chen Tiao-yuan. These troops are known as the best forces in the Nationalist army, and according to latest reports, the 1st, 4th, 9th, and 44th Armies have already proceeded toward the North and some have crossed the Yellow River with the objective of attacking Techow when the Northerners are entrenched.

Feng Yu-hsiang and Yen Hsi-shan's Forces

In addition to the armies under Gen. Chiang Kai-shek, there are also the troops of Marshal Feng Yu-hsiang numbering approximately 150,000 in northern Honan, southern Chihli and western Shantung. These forces are now advancing rapidly northward along the Peking-Hankow Railway with the objective of dislodging the Fengtien forces which are entrenched near the town of Shihchiachwang, the junction point of the Peking-Hankow line and the narrow-gauge railway which runs westward to Taiyuanfu, the capital of Shansi province. Then in addition to Feng's forces, it is stated that Gen. Yen Hsi-shan of Shansi province has another 150,000 but this probably is an exaggeration, 100,000 being nearer the correct figure

In the Shanghai-Nanking Area

The Nationalist troops in the Shanghai and Nanking area are placed at approximately 40,000, some 50,000 of which are under Gen. Chien Ta-chun, the Shanghai Garrison Commander. Some 10,000 troops belonging to the 32nd army are in Nanking under Gen. Fang Ting-yung.

Another new Nationalist army, which recently has been reorganized is the 36th which was formerly under Gen. Tang Shen-tse at Hankow, but which is now under Gen. Bei Tsung-chi of the same area. The 36th Army is actually under the command of Gen. Wang Kun, a West Point and Princeton graduate, who now has his headquarters at Chengchow, Honan, the base of Marshal Feng Yu-hsiang. These troops recently have been moved to Honan from Hankow where they previously were stationed. This practically completes the account of the military situation from the standpoint of troops available for the Northern expedition, or in the event of war with Japan, available for that purpose, providing of course, China decides to put up a fight. There have been several reports from Canton recently that an army is being organized there for participation in the Northern expedition and that some of the troops have advanced into Honan, but this has not been verified.

Feng Yu-hsiang and C. T. Wang

According to messages from Tsinan on Tuesday, May 8, the clash of Chinese and Japanese troops at Tsinan has caused a reorganization of the Nationalist command whereby Feng Yu-hsiang will temporarily make his headquarters at Tsinan. Dr. C. T. Wang, Director-General of the Lung-Hai Railway and a member of the Nationalist Committee on Foreign Affairs has also gone to Tsinan to assist in the negotiations with the Japanese over the Tsinan incidents. This will leave Gen. Chiang Kai-shek free to devote his entire attention to the Northern expedition, while Hwang Fu, Minister of Foreign Affairs of the Nationalist Government who has been in Tsinan has returned to Nanking for a conference with the Government Council. All important officials of the Nationalist Government, with the exception of the military men at the front, are now in Nanking.

According to a message received by *The Review* from Tsinan dated May 8 it was stated that the situation at Tsinan is much strained due to repeated Japanese acts of aggression, such as bombarding undefended citizens, the whole of yesterday. The Nationalist commander, however, is determined to remain calm and refrain from retaliation. Meanwhile the Nationalist troops have crossed the Yellow river in pursuit of the Northerners and have already invested the town of Yuchen, located 20 miles north of the Yellow river bridge.

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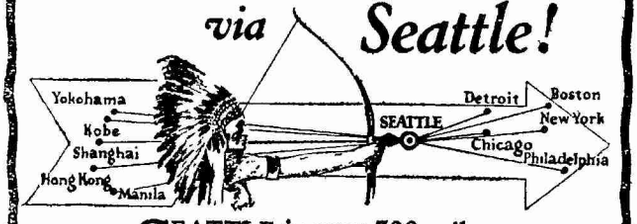

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Men and Events

Captain Robert Dollar departed from Shanghai for southern ports on the *President Grant* May 9.

N. Hung Tong, a New York silk merchant, arrived in Shanghai from the United States during the week.

L. O. Chan, of the China Commercial Company, has returned to Shanghai after a business trip to the United States.

G. Loa, of the Nanyang Bros. Tobacco Company, returned to Shanghai during the week after spending one year in the United States on business.

James W. Prince, of the Eastman Kodak Company arrived in Shanghai from America on the *President Grant* May 8. He plans to stay in this city for three years.

Emile Widler, a chemist by profession who has had long experience in China export produce, has established the China Produce Testing Bureau at 39a Canton road, Shanghai.

H. Kato delivered a lecture on Scenic and Industrial Japan before the Royal Asiatic Society in Shanghai, May 10. The lecture was illustrated with cinematograph views.

H. L. Milbourne, formerly U. S. Vice Consul at Amoy, has taken up a similar position at Hankow, relieving Richard F. Butrick, who is proceeding to the United States on a holiday.

The Nanking Government Council has issued a Mandate for the arrest of Liang Shih-yi, one of China's wealthiest men, and also Wang Keh-min, for financing Chang Tso-lin against the Nationalist government.

May 9 was observed in Shanghai and elsewhere in China, as "Humiliation Day," the anniversary of the day on which Yuan Shih-kai, president of China, accepted the XXI demands made by Japan in the Year 1915.

A National Products Exhibition was held at Hangchow, Chekiang province, during the week. Forty Shanghai manufacturers participated. The object of the Exhibition is to encourage the development of Chinese industries.

Dr. C. T. Wang, president of the National Road Construction Association, recently telegraphed to the Nationalist government recommending that war prisoners should be used for the construction of roads to connect Shanghai, Hangchow and Nanking.

The Victoria Nursing Home, which was opened in Shanghai in 1900 in honor of England's great Queen, will shortly be closed and its functions taken over by the Country Hospital. Notice has been given that no patients will be received at the Home after May 15.

The Tariff Board of Rangoon, which is holding an enquiry into the Royal Dutch-Socony price war, at its sitting April 27 issued a statement that it "felt that the American concern was not cooperating with the Government of India or assisting the Board's enquiry."

E. F. Goodale, treasurer and comptroller of the Finance Department of the Shanghai Municipal Council, died on board the Peninsular steamer *Mongolia*, in the Red Sea, May 3. Mr. Goodale was on his way to England on sick leave. He was ccompanied by his wife. Two sons at school in England also survive him.

Wunsz King, Commissioner of Foreign Affairs for Kiangsu, entertained the executive members of the Chinese Ratepayers' Association at 134 Route Vallon, Shanghai, May 4. Maj. Gen. Chang Ting-fan, mayor of Greater Shanghai and Gen. Chien Ta-chun, commander of the Shanghai and Woosung gendarmerie, were also present.

The Economy Commmittee appointed by the Shanghai Municipal Council last year to investigate the expenditure of the Foreign Settlement and to suggest means of reducing same has published its report on the hospitals. The principal recommendation of the committee on this subject was to close the Victoria Nursing Home which was being run at a loss of about Tls. 50,000 a year.

The Detroit *News* and the Detroit *Free Press* of March 4 published a photogravure supplement of views covering the flight of E. F. Schlee and W. S. Brock from Detroit to Tokyo last year. It will be remembered that the "Pride of Detroit" called at Shanghai September 10, but did not proceed across the Pacific on a contemplated round-the-world flight, owing to adverse weather conditions.

Reverend Emery W. Luccock, to whom a call was extended by the Community Church, Shanghai, several weeks ago, has sent his acceptance by telegram and is expected to arrive in Shanghai about the end of December. Rev. Luccock first came to China in 1921 as a Presbyterian missionary, but has lived in the United States for several years, among other positions that he filled having been that of associate pastor at Oak Park, Illinois.

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official), Ta Chung (Kuominchun) and Toho (Japanese) news agencies, and from translations of articles and dispatches appearing in the local Chinese press).

May 1—Nationalist Government approves plan for financial rehabilitation of Fukien province--Nanking receives telegram from Yang Sen in Szechuen stating that he would also like to participate in Northern campaign—Chang Tso-ling holds another "extraordinary" military conference in Peking to consider new situation following fall of Tsinan—Wu-Han Political Council to be inaugurated on May 5—Business in Tientsin practically at standstill owing to political situation—Chinese Chamber at Shanghai elects Feng Shao-shan, Lin Kang hou, Chao Chin-ching, Loh Feeg-chu, Shih Chi-kun, Hsu Chiching and Hu Hsi-sung members of governing committee.

May 2—Fifty Chinese students in Chefoo Naval Academy dismissed on suspicion of sympathizing with Nationalists—Chang Tso-ling holds another military conference and decides to blow up Yellow River Bridge to prevent further advance of Southerners; to make line from Techow, Hochien and Paoting the second line of defense; to make line from Machang to Changhsintien the third line; to appoint Gen. Wu Chung-sheng as commander in Chief in Manchuria to control the rear; to order withdrawal of all Fengtien troops from the Peking-Suiyuan line for defense of Peking—Pan Fu's family goes to Tientsin from Peking for safety-Nationalist troops take over and preserve order in Tsinan; Northern commander Gen. Liu, who was commander at Chengtien, retreats to Fangtsze and may retreat to Chefoo—Peking report by Japanese *Toho* service states retreating Northern troops from Shantung have "lost all fighting spirit"—Japanese troops in Tsinanfu fire on mob of rioting and looting Northerners killing one—Routed Shantung troops arrive at Tsingtao creating uneasiness there, but local commander announces his intentions of putting up a fight against Southerners—Large mass-meeting and Labor Day parade at Foochow—*Kuo Min* report states Nationalists are preserving order and reorganizing the local government at Tsinanfu; Nationalist flags flown throughout city—*Kuo Min* claims fall of Tsingtao near—Hwang Fu, Nanking Foreign Minister goes to Yenchow to interview Chiang Kai-shek—Nanking appoints Chang Peng-han commissioner of foreign affairs for Yunnan—Gen. Chien Fa-chun, Commander of troops at Shanghai forbids recruiting owing to fear of incorporating Communists in his army—Gen. Ho Yao-tsu, former garrison commander at Nanking appointed commander of the 3rd army corps of the 1st group army—Gen. Chien Ta-chun at Shanghai recommands census of Shanghai area;-also that road construction program be started—Chekiang Government orders discontinuance of practice of paying ransoms for kidnapped persons and orders families to supply information to authorities—Gen. Chu Peh-teh of Kiangsi assumes office as commander of the 1st group army at Yenchowfu—Feng Yu-hsiang again pledges allegiance to Chiang Kai-shek—Hankow Chinese newspapermen protest Japanese troop landings—Public organizations at Hankow also protest Japanese intervention—*Ta Chung* report states Feng's troops defeat Northerners at Changteh taking 3,000 prisoners-Chiang Kai-shek prepares for immediate drive on Techow to prevent reorganization of Northern troops after Shantung defeat—Pan Chiang-tsao, alleged Communist at Changsha, executed—Yi Sha-shih, alleged Communist arrested in Hankow French Concession executed by Chinese authorities—Chang Tso-ling appoints Ho Feng-lien, former defense commissioner at Shanghai under Gen. Lu Yung-hsiang, as commander-in-the-rear—T. V. Soong issues call for national Financial conference.

May 3—Main body Fengtien troops on Peking-Hankow Railway begin retreat toward Peking; other Fengtien troops operating in Shansi also retreated to Shihchiachuang; Gen. Yang Yu-ting at Shihchiachuang where reorganization being attempted; Gen. Chang Hsueh-liang hurries to Peking from front to explain situation to his father, Chang Tso-ling—

SHIRTS & PYJAMAS

TOYO MURAKAMI

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Clash between Nationalists and Japanese at Tsinanfu—Fengtien troops probably withdraw to Paotingfu immediately—Chiang Kai-shek's troops immediately advance from Tsinan to Yellow river where attempt being made to ferry across; powerful cavalry regiment of Feng Yu-hsiang menacing Northern retreat—Japanese *Toho* report states that Japanese troops under Gen. Fukuda which have been trying to get through to Tsinan, finally arrive there—Shantung troops under Gen. Liu Chih-lu which evacuated Poshan and concentrated at Fengtsze; later report states Gen. Wu has gone over to Nationalists—Sun Chuan-fang said to be at Sunghsintien, 11 miles north of Tsinan trying to rally his troops—10,000 Southern troops now in Tsinan—Nationalist report through *Kuo Wen* agency states Chiang Kai-shek arrives at Tsinan and announces withdrawal of burdensome taxes instituted by Gen. Chang Chung-chang; Chiang said to have received hearty welcome at Tsinan by public; Chiang holds conference with Japanese; Chiang claims capture of 20,000 Northern troops and immense stores of munitions—Nanking announces big celebration for May 5—Gen. Chien Ta-chun, commander of Shanghai-Woosung gendarmie makes tour of Shanghai area visiting all towns and villages—Nationalist cruisers Haichou, Yungchien and Wushing arrive at Shanghai on way to Shantung coast—T. V. Soong, Nationalist Finance Minister issues call for national financial conference—Wu-Han branch of political council establishes headquarters in Chamber of Commerce building and will start functioning within ten days—Northern airplane from Chang Tso-ling's steamer Haichi drops bombs on Shanghai doing little damage—Strike of Chinese seamen on China Merchants Steamers reported settled Reported that trouble which developed in Honan between Gen. Fang Chun-hsiu and Feng Yu-hsiang has been settled through bestowal of "certain titles" upon Gen. Fang who is reported to keep the peace now—Ho Ching-meng appointed acting director of railway traffic on the Tientsin-Pukow line—Nanking Military Council orders execution of Northern General Sun Pei-wan who was captured in Shantung recently—Chinese organizations in Shanghai form committee for looking after war refugees.

May 4—*Toho* report from Tientsin states that attack on Japanese at Tsinan deliberately planned because firing started simultaneously several places in city—Further *Toho* report states trouble started when Japanese attempted prevent looting of Japanese property by Nationalist troops; also alleges incident precipitated by Feng Yu-hsiang's troops in order to embarrass Chiang Kai-shek—Anti-Jap boycott and agitations break out at Foochow, Japanese ships unable land or receive cargoes—Japanese order reinforcements to Shantung including 2,300 troops from Manchuria and an air-corps from Korea—Feng Yu-hsiang's troops capture Tzuchow—*Toho* report from Tsingtao states Japanese casualties include three officers, one gendarme and 20 non commissioned officers and men; Chinese losses not known but Japanese claim Chinese losses 800 including killed and wounded; unconfirmed report Chinese massacred 100 Japanese—Chiang Kai-shek and Feng Yu-hsiang declare martial law in Tsinan—Firing between Chinese and Japanese troops reported lasted seven hours continuing again last night; Japanese claim to have disarmed more than 1,000 Chinese troops—Another Japanese report states that since Nationlist troops' behavior upon entrance into Tsinan was exemplary, Japanese started to remove their defense works when Chinese taking advantage situation started looting; Japanese ordered back into barricades in Tsinan—Report from Peking states that Marshal Chang Tso-ling offered Japanese full assistance in fighting Chiang Kai-shek, but offer refused; Japanese decide to send armored trains down Tientsin-Pukow Railway from Tientsin—Intense excitement and anxiety in Japan over clash, newspapers all issuing extras—Later Japanese report states Japanese casualties are 5 killed, 20 wounded among military and many killed among Japanese civilians—Japanese announce decision to rush remaining troops at Tsingtao to Tsinanfu—Gen. Chang Chung-chang, ousted tupan of Shantung issues proclamation that Shantung government now established at Techow—Nationalist *Kuo Min* report states one Nationalist officer and several civilians killed by Japanese besides; states trouble started because Japanese arrested several members of Nationalist propaganda corps; reported Chiang Kai-shek and Hwang Fu held conference with Japanese authorities trying reach understanding, but trouble continued; Hwang Fu orders withdrawal of Japanese troops, but since railway out of order this impossible—Tsai Kung-shi, member of political committee in war zone appointed Commissioner of Foreign Affairs in War zone—Chiang Kai-shek also orders evacuation of Japanese troops—Nationalists claim capture of Weihsien, important town on Shantung railway; Chen Tiao-yuan's army crosses Yellow River and attacks town of Yucheng about midway between Tsinan and Techow—Chiang orders resumption of railway service between Tsinan and Hsuchowfu—Nationalist Government orders suppression

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Pictures Wanted

The China Weekly Review will pay a reasonable price for pictures showing interesting phases of Chinese life.

If you have pictures showing battles, soldiers on the march, pictures taken in the famine area, or any pictures having news interest—send them in. If they are not suitable, they will be returned to you.

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Picture Editor

The China Weekly Review

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of alleged bandit Fan Chung-hsiu, who has recently created disturbance in southern Honan, alleging he is working with Chang Tso-ling—Gen. Ho Yin-chin arrives in Nanking for inspection of troops—Nanking issues list of 32 delegates from all parts of country to educational conference on May 15—Nanking Government Council issues order for arrest of Liang Shih-yi and Wang Keh-ming, Peking financiers on grounds they are financing Chang Tso-ling—Nanking Committee for Boycott of Japanese Goods orders boycott to start May 5—Shensi provincial government orders restoration of temple to Huang Ti, legendary "father" of the Chinese race—Kansu provincial Government orders immediate construction of strategic roads—Chinese organizations in Chungking order immediate boycott of Japanese goods—Gen. Fang Chen-su appointed Defense Commissioner at Tsinan; Nationalists claim capture of eight locomotives, 1,000 prisoners in Tsinan fighting—Ma Teng-yin appointed director of Public safety in Tsinan.

May 5—Ta Chung report alleges Japanese troops opened fire on Chinese and kept up firing despite efforts of Hwang Fu to induce them to stop—Japanese placed electrified wire entanglements across street preventing Chinese from passing; investigation being made regarding number of Chinese killed and circumstances; Chiang Kai-shek sends troops to guard various foreign consulates; Hwang Fu demands withdrawal of Japanese troops—Nanking Association for Boycott of Japanese goods holds meeting adopts plans for extending movement through Yangtsze Valley—Nationalist advance continuing despite Japanese action; vanguards cross Yellow River; Fengtien troops on Peking-Hankow line retreat to Shihkiachwang; northerners have lost fighting spirit—Sun Chuan-fang reported to have declared himself in favor of the Kuomintang principles, but not confirmed—Shanghai mass meeting starts movement to get Japanese troops out of Shantung—Anhwei sends $10,000 to Feng Yu-hsiang as present for his troops—Feng Yu-hsiang report states Fengtien routed at Changteh—Feng Yu-hsiang and Chiang Kai-shek meet and confer at Hsuchowfu—*Kuo Min* report states several hundred Chinese are imprisoned by Japanese troops in Chinese post office in Tsinan without food or water—Chinese Commissioner of Foreign Affairs Tsai Kung-shih, and staff shot by Japanese troops—Nanking official circles convinced Tsinan incident carefully planned by Japanese—Hwang Fu and Chiang Kai-shek both report killing of Tsai Kung-shih—Japanese consul in Shanghai tells *Ta Chung* correspondent he has no reports of Sino-Japanese clash at Tsinan—Gen. Li Chi-sum at Canton states 5th army group being reorganized for service at front.—Feng reports capture of Taming—Feng arrives at Hsuchow on his way to Tsinan for personal investigation of Japanese incident—*Ta Chung* agency states Chinese representative detained at Japanese Consulate in Tsinan while Japanese try to force him to sign agreement granting Japanese a garrison area in Tsinan—T. V. Soong issues call for general financial conference to reorganize currency and unify finance—Shanghai Garrison Commander issues statement denouncing Japanese for Tsinan incidents—Holiday called for May 7 to hold mass-meetings on Japanese question—Chiang Kai-shek, according to *Kuo Min* report, sends telegram to Government Council stating that as true revolutionist he cannot bow to Japanese bullying, but that nothing should permit interference with Northern expedition—Nationalists issue copy of official Note to Japanese Government telling of Japanese actions at Tsinan and demanding withdrawal of Japanese troops—Shanghai organizations telegraph Nanking urging immediate steps for national defense.

Chang Nieh-yun has been appointed Chinese Legal Assistant to the Shanghai Municipal Council to assist the British police prosecutor in the Provisional Court.

David E. Duff, former manager of the Oil Export Co. in Shanghai, was sentenced by Judge Purdy in the U. S. Court for China May 3 to a year and a day's imprisonment at McNeill Island, state of Washington. Duff pleaded guilty to a charge of embezzling Tls. 21,496.

The dead body of Walter B. Wilson, American Vice Consul at Shanghai, who left his room at the Astor House early on the morning of May 1, carrying with him a golf bag, was found in the Whangpoo (river) several miles below Shanghai May 8. The bag and clubs were found by a Chinese during the week, lying along the road to Woosung, beyond Yangtszepoo. Letters written to friends by Mr. Wilson before he disappeared indicated that he was suffering from extreme mental depression.

Three chairmen and four members of standing committees of the Chinese General Chamber of Commerce, elected April 15, were officially installed May 1 with elaborate ceremony at the Chamber's hall. The new officers are: Feng Shao-shan, ex-chairman of the Chamber, Ling Kong-hou and Chao Chin-ching, chairmen; Lo Feng-tao and Hu Hsi-chen, members of the financial committee and Shih Tse-kuan and Hsu Chi-ching members of the social committee.

New Books of Interest in the Far East

Another Chinese Novel by Jas. W. Bennett

"The Yellow Corsair" by James W. Bennett. Duffield. $2.00.

What really is China? Is it romance, or is it a fact? Is it Far Cathay, or is it Civil War and pirates who are *not* romantic? Or again, is it the life of the common people?

Mr. Bennett, starting with Macao, describes China as follows: "The lane was ajostle with an erratic press of humanity. Mecanese, black men in uniform from the colonies of East Africa, a Portuguese or two....they moved for a brief moment against the irresistible background of China. Coolies, fishermen, merchants, clerks from native and foreign hongs, officials from Swatow or Canton, exiled for the moment by an erratic turn of the political wheel, smokers of the dream-giving poppy seed....China".

It is clear that Mr. Bennett starts with the romantic bias. But that is no reason why he should not have been able to get in touch with the real life of certain sections of Chinese life It is not many of us who can combine the romantic with the objective outlook. Mr. Bennett comes near to doing so. He remains, however, on the side of the romanticists, and for that reason this new novel of his will probably be the more attractive, if (perhaps unjustifiably) the less convincing, to his Western readers.

The scene is cast in the heigh-day of Tuan Chi-jui, and the hero is a Chinese-born American doing espionage work in the Canton and pirate area, on behalf of the Peking government, from whom he receives a fairly liberal salary. It is a shame thus in reviewing to let the cat out of the bag, for so perfect is the disguise of the hero, and Mr. Bennett's introduction of him, that it is a long time before the reader thinks of him as anything but more or less of a villain. That, indeed, *is* the final impression left with this reviewer on closing the book, but for other reasons than the feigned opium addiction with which the book begins. The duel between MacDonald, the hero, and Wing Seng Yellow Corsair, which runs through most of the book, shows up both of the men as fine fighting specimens, with nothing to choose between them, except the victory which finally falls to the Westerner,—who has actually ventured into the heart of the pirate lair. The more intimate duel is, of course, one of sex, connected with the American girl artist whom MacDonald has to rescue from the Yellow Corsair—who has captured and is holding her for ransom for political reasons, in order to get funds for his anti-foreign, Russian-supported, drive. This is where MacDonald shows (contrary to the author's intention) his yellow streak: just for the sake of an almost colorless girl artist of his own nationality, he abandons the charming and highly-educated Soochow girl who (so the book suggests) has been his mistress and co-worker in espionage until that time. Mr. Bennett works his story up to the climax of the Kuomintang-and-Russian-provoked Shameen shooting incident, which enable him to get rid of the unwanted Soochow girl with the help of a Western bullet. MacDonald and his American girl scrape through the iron gates into Shameen in disguise that night.—A good tale, but a bitter ending.

J. D. M.

A Dictionary of the "American" Language

Crowell's Dictionary of English Grammar and American Usage by Maurice H. Weseen, Associate Professor of English in the University of Nebraska. New York; Thomas Y. Crowell Co.

This book contains the words that you do not find in the ordinary dictionary. That doesn't mean that the rare words are in it. Just the opposite. The words you find here are the ones that are coined in the United States almost overnight.

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Many of the words listed are slang, but slang in time becomes good usage. The dictionary among other things points out the words that are at present considered slang, and incidentally suggests a word of similar meaning in good usage. Let us take some of the words at random.

"Jar".—No reference here to the receptacle which contains the jam. The definition here given is: "Slang as a verb where a person is the object, as "Wouldn't that jar you?" *Shock* is a better word.

"Jim jams"—"Slang for *delirium tremens*".

"Jim Crow"—"Slang name for a negro".

"Joker"— "Slang in the sense of something with which to gain one's object or play a trick, as There is a joker in that deal some-where".

The dictionary contains 700 pages and is particularly valuable to people in this part of the world who wish to gain a knowledge of English as it is spoken, at least in America. Many a foreigner who has learned his English from a 'book, finds when he gets to the United States that he can hardly make himself understood, much less understand the Americans. A dictionary such as this will help to smooth the way. Among the words one misses, however, in the Handbooks is the word "Bill," which is cleverly referred to in the preface of a well known educational work as meaning in ordinary language either the beak of a bird, paper money, or the colloquial rendering of a male name—all this preparatory to stating that its meaning in commerce is a bill of exchange.

W. G.

A Monthly Catalogue of New Books on the Far East

Asiatica—A Monthly Record of Literature Dealing with the East and with Africa. London; Kegan Paul, Trench, Trubner Co., Ltd.

This is a newly started monthly publication by a prominent London book publishing house, listing recently issued literature concerning the Far East (and Africa) not only in the English language but in foreign languages.

Million Dollar Corporation to Operate Taxicabs in Shanghai

The Yellow Taxicab Co. of China, Federal Inc., with a capital of Mex. $1,000,000, has been formed to operate taxicabs in the principal ports of China. Upwards of a hundred cabs will be placed on the streets of Shanghai by October if present plans are carried out.

W. D. Bonner is president of the new corporation. The board of directors consists of Messrs. Chen Yik-chow, chairman of the board of directors of the Sun Sun Co. (department store). W. Gockson, general manager Wing On Textile Manufacturing Co. Dr. Z. Y. Kwauk, director of the University hospital; Yenchen Y. Dunn, manager of the Chun Shun Chong Co. of Hankow and director of the H. & A. Manufacturing Co., Shanghai; Mr. Paul Kelly, Shanghai Automobile Club; W. D. Bonner; and F. W. Schlobohm, proprietor of the Shanghai Service Co., who is treasurer and service manager. Mr. Kelly is secretary and Dr. Kwauk, vice president. Haskin & Sells are the auditors and Fleming & Allman, attorneys.

The cabs will be supplied by General Motors and negotiations are now in progress to get the necessary permits from both the International Settlement and the French Concession.

Minister Soong's Budget Program Approved

The Nationalist Government Council has approved a proposal by T. V. Soong, Minister of Finance, for a financial conference to establish a budget system—one budget for current expenses, and another for extraordinary expenditures, covering such items as the disbandment of troops, relief for devastated provinces, etc. Mr. Soong stated that at present eighty per cent of the Nationalist revenues were absorbed by military expenditure. A conference of financiers and industrialists will meet in Shanghai to discuss the proposed budgets.

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Tong Shao-yi O. K's Hoover's Work in China

Tong Shao-yi, one of China's earliest American returned students, now living in retirement at his ancestral farms at Tongkawan, in Kwangtung, not far from Macao, was interviewed recently by B. W. Fleisher, proprietor of the *Japan Advertiser*, as the representative of the Chicago *Daily News*. The purpose of the interview was to get at the facts of Herbert Hoovers connection with the Chinese Engineering & Mining Co., when Mr. Hoover was in China as a young man, 27 years ago. Mr. Hoover is now a candidate for the U. S. Presidency and attacks on his probity in connection with the Mining Co.'s affairs had been made.

Mr. Tong among other things, said:

"I believe I am the only Chinese now living who was closely identified with the Chinese Engineering & Mining Co. at that time. It was founded by my uncle, Mr. Tong King-sin, and our family has always been among the largest shareholders. I make this explanation not only from a sense of personal gratitude but in the interest of justice and accuracy. These false rumors dating back to events which happened 28 years ago seem to me wickedly inspired. Mr. Hoover's record in China was not only clean and honorable but highly creditable, and in many ways remarkable.

"The action brought by the Chinese at London in 1905 and to which these insinuations refer, was based on events which occurred after Mr. Hoover had left China in 1901 for the United States and had severed all connection with the company. He was not a defendant in the action but he was a very important witness and it was largely on his testimony that the Chinese won their case. Twice Mr. Hoover saved the Chinese Engineering & Mining Co. for the Chinese shareholders and in the period immediately preceding his connection with the company, during the Boxer uprising, there is no accounting how many lives he saved.

"Mr. Hoover had come to China originally as an engineer for the Chinese Government. Following the flight of the Chinese Government to Sianfu during the Boxer rebellion in 1900, Mr. Hoover was offered, and he accepted, the post of consulting engineer with the Chinese Engineering & Mining Co. The shareholders comprised four different groups, which did not always work harmoniously, having diverse interests. One combined Chinese and German interests; there were two separate British groups and a Belgian group. The property since its organization in 1882 up to this time had not been financially successful, but its potential value was recognized. With the arrival of foreign troops to suppress the Boxer Rebellion, possession of the property became a bone of international contention. Properties of the company were practically seized and occupied by the troops of four foreign governments, Russia, Japan, Germany and Great Britain, although the company was Chinese.

"It was Mr. Hoover's prompt action which saved the company for the Chinese and other shareholders at that critical time. He went to London and reorganized the company. Following the reorganization, the Chinese insisted that they be represented on the board and that Mr. Chang Yen-mao should continue as director-general. Everybody concerned approved of this and it was so agreed in the form of a memorandum signed in February, 1901. Mr. Hoover was the one man in whom all the different nationals interested reposed confidence, and he was made the general manager. He was not in charge of the finances, each group having its own separate financial representative.

"In the eighteen months Mr. Hoover was associated with the Company, as engineer and later as manager, he transformed the property from one that had been financially unsuccessful to a highly profitable enterprise which has continued to pay handsomely ever since."

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price April 26	Sale Price Apr 3rd	Approx. Yield to Maturity % Apr. 3rd
Czecho Slovak Govt. Sinking Fund Loan	8	Oct. 1, 1952	111⅛	111⅝	7.01
Republic Chile S.F. Loan	7	Nov. 1, 1942	102⅜	103¼	6.65
Argentine Government.. Ext. S.F. Loan	6	May. 1, 1960	100½	100⅜	6.97
Kingdom of Italy, Ext. S. F. Loan	7	Dec. 1, 1951	99⅞	100	7.00
Austrian S. F. G. Loan	7	June 1, 1943	104	104¼	6.55
Japanese Govt. (£)	5	1907/1947	87¼	87¼	6.16
German Govt. S. F. Loan	7	Oct. 15, 1949	107⅞	107⅜	6.37
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 1, 1950	101	100¾	6.93
Saxon Public Works Inc. 1st Mtge. S. F. Loan	7	Feb. 1, 1945	102	101¾	6.82
German G.E.C.S.F. Loan	7	Jan. 15, 1945	105	105½	6.46
Finnish Guaranteed Municipalities S. F. Loan.	6½	Oct. 1, 1954	100	100	6.50
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	— not quoting		
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	102	102	6.26
Cuban Domin. Sugar Co. 1st Lien S. F. Loan	7½	Nov. 1, 1944	100⅞	101½	7.34
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	101	101	6.89
Pennsylvania Dixie Cement Corporation	7	Pfd. Stock	97	97	7.22
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	110	110	6.36
Willys Overland Co.	7	Pfd. Stock	99₂	99½	7.04
The National City Bank of New York	20	Stock	975	888 Ex. Rgts.	2.25
Republic of Peru Ext. Secured S. F. Loan	7½	Sept. 1, 1956	107¼	106⅞	6.94
Hershey Chocolate Corp.	$4	Pfd. Stock	—	81½ 80¾	4.95
Belgian National Railway Co. Participating Pfd. Stock (American shares) Market to yield					6.90
City of Vienna	6%	Nov. 1, 1952		92¾	6.60
Ilseder Steel Corporation	7	April 1, 1946		102	6.81

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

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Latest New York Stock Exchange Quotations

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Market Closed Strong Business Done (Shares) 3,000,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	161¼	165
American Can (Common)	88½	93¼
American Radiator (Common)	148	148¾
Anaconda Copper (Common)	70⅛	72¼
Armour & Co. (Illinois) 7% Pfd.	85	85
American Telephone & Tel. (Common)	192½	198¼
American Tobacco "B"	158½	165¾
Bank of Montreal	383	380
Bethlehem Steel (Common)	60⅜	62½
Bethlehem Steel, 7% Pfd.	120⅝	121
Canadian Pacific Railway	214¼	221¼
Canada Dry Ginger Ale	73½	77½
Cerro de Pasco	67⅞	69
Coty Incorporated	168	171⅞
E. I. du Pont de Nemours (Common)	387⅞	400
Fox Film "A"	82½	83½
General Motors (Common)	196½	208¾
International Match, Pfd.	128⅞	113½
International Product Corp.	78½	78½
International Nickel (Common)	89⅞	94¾
Ligget & Meyers, Class "B"	100	101⅜
Mack Trucks (Common)	88⅜	88⅝
Madison Square Garden	32⅜	33⅜
New York Central (Common)	184¾	185¼
Packard Motor Car Co. (Common)	70½	73⅞
Phillips Petroleum (Common)	42¼	42¼
Pacific Gas & Electric	52⅞	52¼
Radio Corp. of America (Common)	181	205
Reynolds Tobacco, Class "B"	131½	132¾
Standard Gas & Electric (Common)	71⅝	74
Schulte Retail Stores (Common)	62½	64½
Southern Railway (Common)	163	165
Standard Oil of California	61½	62¼
" " of New Jersey	45⅞	45⅝
Standard Oil of New York	39	37¾
" " of Indiana	80½	80½
Texas Corporation (Common)	63¾	62⅛
Tobacco Products, Class "A"	118½	119
Union Carbide	151	157⅝
Union Pacific RR. (Common)	200¼	202⅜
Wright Aeronautical	146	163½
United States Rubber, 8% Pfd.	77⅛	79¾
United States Rubber (Common)	42½	43¾
United States Realty & Imp Co.	mutilated	93
United States Steel	145¼	147⅛
N. German Lloyd, 6%—1946	95	94⅜
Shinyetsu Elec. Power Corp. 6½% 1952	94½	96
General Cigar	68	67
Texas Gulf Sulphur	73⅞	73
Lorillard Company (Common)	32½	33⅜